NOTES TO THE SEPARATE FINANCIAL STATEMENTS »

(With comparative figures at year-end 2015)
(Stated in millions of Colombian pesos, except for exchange rates and share information).

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A. was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 drawn up December 24, 1997 before the Notary Public No. 14 of the Circuit of Medellin, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is Carrera 43A # 5A -113 piso 13 Edificio One Plaza in Medellin but it is entitled to set up branches, agencies, offices and representations in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until April 15 2102.

Its business purpose is to invest in personal and real estate property, and may do so in the form of shares, stakes or holdings in companies, entities, organizations, funds and any other legally-permitted mechanism that allows for the investment of funds. Likewise, it may invest in commercial paper or securities yielding either a fixed or variable income, regardless of whether these are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad

The Company's reporting period shall follow that of the normal calendar year, ending on December 31.

The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("Superintendencia Financiera de Colombia"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (Registro Nacional de Valores y Emisores).

CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A. (hereinafter referred to as "Grupo Sura" is a Latin American company listed on the Colombian Stock Exchange and registered with the ADR- Level 1 program in the United States. It is also the only Latin American corporation from the miscellaneous financial service sector to be admitted to the Dow Jones Sustainability Index (DJSI), which tracks companies who have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints. Group Sura's investments are classified in two categories: strategic or core – those pertaining to the financial, insurance, pension, savings and investment sectors; and portfolio – those found mainly in the processed food, cement and energy sectors.

The companies in which Grupo Sura invests (Suramericana S.A., Sura AM S.A., Bancolombia S.A., Nutresa S.A. and Inversiones Argos S.A.) have continued to strengthen their presence in different parts of Latin America, the United States and to a lesser degree in Asia.

The Group´s interests in the Financial Services sector includes a 46.01% stake in the voting shares of Bancolombia (which is equal to 24.38% of its capital stock), where Grupo Sura is the largest shareholder, plus an 81.13% stake in Suramericana S.A., the Group´s insurance holding company. The remaining 18.87% stake in Suramericana is owned by the German insurer MünchenerRückversicherungs-GesellschaftMunich, more commonly known as "Munich Re." Grupo Sura also directly holds a 64.29% stake in SURA Asset Management Colombia S.A.'s share capital as well as another 7.11% stake through its subsidiary, Grupo de Inversiones Suramericana Panamá S.A. SURA Asset Management S.A. is the Group´s pension, savings and investment holding that operates throughout Latin America. The remaining 28.60% stake in Sura Asset Management S.A.'s share capital belongs to other local and international shareholders.

The Group´s investments in the processed food segment of the local industrial sector include a 35.17% stake in Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia where Grupo Sura is also the largest shareholder.

Grupo Sura ´s interests in the cement, concrete, energy, port services, coal-mining and real estate sectors include a 35.56% stake in the voting shares of Grupo Argos S.A. (equal to 26.78% of its share capital) where again Grupo Sura is the majority shareholder. Grupo Argos is in turn the controlling shareholder of Cementos Argos, S.A. and Celsia S.A. E.S.P.

Some of the above-mentioned companies also possess cross holdings within the Group, which at December 31, 2016 consisted of the following:
Bancolombia holds a 20.58% stake in Protección; Grupo Nutresa S.A. holds 10.32% of the total shares outstanding belonging to Grupo Sura and 12.66% of its voting shares along with 10.06% of the total shares outstanding belonging to Grupo Argos, accounting for 12.36% of the voting shares. Grupo Argos S.A. and subsidiaries, for their part, hold 33.67% of the voting shares of Grupo Sura and a stake of 9.83% in Grupo Nutresa.S.A.

OUR STRENGTHS

1. Grupo Sura holds equity interests in several companies who in turn own leading companies in Colombia, Mexico, El Salvador, the Dominican Republic, Panama, Peru, Chile Guatemala, Uruguay, Brazil and Argentina. Grupo Sura has invested in well-established companies mainly in the financial service, insurance, health care, occupational risk, pension fund and complementary service sectors, and to a lesser extent in several industrial sectors, including food processing, cement and ready-mix concrete, energy, port services, coal-mining and real estate.

2. Robust stream of sound cash flows diversified across different countries and sectors. Grupo Sura derives most of its cash flows from dividends received from a diversified group of companies operating across various industries and countries within Latin America. In recent years, these companies have consistently paid dividends, which have been increasing by at least the rate of inflation as measured by the Consumer Price Index (CPI).

3. Sound Statement of Financial Position to support Grupo Sura 's ongoing expansion. At December 31, 2016, Grupo Sura 's shareholders' equity came to COP 21,536,905 million with a total debt-to-asset ratio of just 8.8%. Grupo Sura has historically financed its expansion primarily with operating cash flows and the proceeds from sales of non-strategic assets. Here it is important to add that at the end of last year, the Company's indebtedness was substantially low given the size of its portfolio of investments.

4. Multi-product, multi-segment and multi-channel business model. Grupo Sura has increased its market share in the Latin American financial services sector by developing an integrated business model, allowing us to take full advantage of the synergies existing between our different banking, insurance and pension fund businesses while accessing a wider customer base, creating greater customer loyalty while at the same time strictly complying with all applicable regulations in each country and abiding by all legal restrictions. Our integrated business model represents a true competitive advantage for our different companies while creating a significant entry barrier that protects us from the competition

5. 5) Commitment to best practices, corporate governance and sustainable development. The Company first put into effect its Code of Good Corporate Governance in 2002 which was later amended in 2015, to include the recommendations contained in Colombia´s Country Code (External Circular 028 of 2014 issued by the Colombian Superintendency OF Finance) and has published annual corporate governance reports since 2005. Our corporate governance is governed by principles of fairness, respect, responsibility and transparency together with a firm commitment to both the region and its people. Our Corporate Governance Code is based on the highest international standards and contains the philosophy as well as the rules and regulations governing the Group´s relationships with Senior Management, the Board of Directors, shareholders, investors and other stakeholders who are interested in the Company's performance. Also, and as part of our commitment to sustainability and in deploying our corporate responsibility model, Grupo Sura and its subsidiaries participate in social development projects in the form of institutional donations and the work of its corporate volunteer corps, which are channeled through its foundation, the Fundación

Suramericana. These initiatives help to improve the quality of life of the more vulnerable segments of the population by helping them to develop their skills.

6. Great human talent. The people who work for Grupo Sura are both knowledgeable and widely experienced and its Senior Management team has an excellent track record. The Company places a lot of importance on the human element with particular emphasis on integrity and the corporate values which form part of our organizational culture. With regard to the Company's Senior Management, the majority of its members have held senior positions in various industries both in Colombia as well as the rest of Latin America, and at the same time have worked for Grupo Sura or its related companies for all of their working lives.

OUR CORPORATE STRATEGY

In 2016, Grupo Sura made great efforts in strengthening its corporate role, as defined in its strategic road map, the purpose of which is to guide its relations with its core investments.
Clearly as we are able to achieve a greater level of coordination, identifying and harnessing existing synergies and working together in the spirit of our mutual interests, we shall be able to further the growth of our business, creating added value for our core investments and guaranteeing our sustainability over the long term.

Here, Grupo Sura ´s strategic focus, as defined for the next few years, centers on providing added value and building trust. Growth shall consequently be driven by innovation, creating greater synergies as well as expanding and developing the different markets. The Group´s human talent, financial strength, sound corporate reputation and brand image as well as a management model, firmly based on our Corporate Governance principles, form the basis for this growth. Also, all these different facets of our performance must be enshrined in a corporate culture and philosophy shared by all, as well as a firm commitment to enhancing our business sustainability

Progress made with our different businesses

a). Our core investments The main companies that make up the Group´s investment portfolio are all leading players on their respective markets We plan to maintain our leadership in these markets by employing highly skilled individuals with specialized knowledge, offering superior products and solutions to our clients, investing in research and development for greater innovation, fostering customer loyalty by providing a combination of personalized service and high-quality products and services at competitive prices and ensuring that our companies continue to uphold our guiding principles of fairness, respect, responsibility and transparency.

b). Expanding into selected international markets and driving the growth of all those companies that form part of our portfolio of strategic investments in the financial services, insurance, social security, pension fund and complementary services sectors. In driving our sustainable growth and expanding our business the Company has continued to adopt international practices and standards with regard to responsible investing. We are well aware that developing a business on a global level poses a series of risks and opportunities that require us to uphold responsible practices when it comes to investing. Today, we have put into a place a Group-wide general policy governing responsible investing on the part of our companies, who must apply all applicable environmental, social and good governance criteria when analyzing present and future investments.

c). Maintaining and enhancing a strong, diversified and increasing stream of cash flows. By expanding our presence within the region, we seek to maintain and enhance the financial strength of our companies while diversifying our sources of revenues. In so doing, we aim to ensure that our dividend flows continue to be well diversified across various industries and countries, rising at similar or faster rates than in recent years. Also, and to ensure that our growth shall not hamper our strong credit position, we intend to continue with our long-term policy of maintaining conservative leverage levels.

BOARD OF DIRECTORS

Our Board of Directors, in keeping with our by-laws, consists of seven directors who are appointed at annual ordinary shareholders' meetings.

The current members of the Board of Directors were appointed to serve for a two-year period by the shareholders at their annual shareholder's meeting held on March 31, 2016 . The term of each of the current board members expires in March 2018. They may also be appointed to serve additional periods without any restriction whatsoever until they reach the age of 72

The following table sets forth certain information regarding the current members of our Board of Directors:

NAME	POSITION
Luis Fernando Alarcón Mantilla (1)	Chairman
Sergio Michelsen Jaramillo (1)	Principal member
Alejandro Piedrahita Borrero	Principal member
Carlos Ignacio Gallego Palacio	Principal member
Jorge Mario Velásquez Jaramillo	Principal member
Carlos Antonio Espinosa Soto (1)	Principal member
Jaime Bermúdez Merizalde (1)	Principal member

(1) Independent Member, in accordance with Colombian law.

SENIOR MANAGEMENT

Our current executive officers are as follows:

NAME	POSITION
David Bojanini García	Chief Executive Officer
Fabián Fernando Barona Cajiao	Chief Corporate Auditor
Ricardo Jaramillo Mejía	Chief Corporate Finance Officer (CFO)
Fernando Ojalvo Prieto	Chief Corporate Affairs Officer (CAO)

BOARD COMMITTEES

The Corporate Governance Committee

Consisting of 3 members of the Board of Directors with the Company's Chief Executive Officer attending these meetings by invitation. This Committee meets at least twice (2) a year and is responsible for issues regarding the Board of Directors, Senior Management and the Company's Good Corporate Governance.

The Appointments and Remuneration Committee

Consisting of 3 members of the Board of Directors meeting at least twice (2) a year. This Committee is responsible for providing guidelines in terms of the Company's human talent as well as the corresponding development and retention strategies, drawing up succession plans, evaluating the performance of the Chief Executive Officer and Senior Management performance, setting guidelines for the fees paid to members of the Board of Directors as well as the remuneration corresponding to Senior Management which is based on their performance both individually as well as collectively.

The Risk Management Committee

Consisting of 3 members of the Board of Directors meeting at least twice (2) a year. This Committee is responsible for the Company´s risk management function, including: analyzing and assessing the handling of the Company's normal risk exposure, in terms of limits, risk profile, profitability and capital map; submitting to the Board the Company's proposed risk management policy; providing the Board with proposals regarding delegation rules for approving various types of risk.

Also, this Committee is officially responsible for the sustainability issues affecting the Company, such as evaluating and monitoring social, environmental and political trends that could potentially affect the Company and its subsidiaries, and the results obtained by all; monitoring the performance of both the Company and its subsidiaries in the environmental, economic, social and reputational aspects; monitoring the handling and mitigation of risks of a financial nature; and reviewing non-financial information that the Company makes available to the market.

Auditing and Finance Committee

Consisting of 3 members of the Board of Directors meeting at least four (4) times a year. It is responsible for creating and encouraging supervisory culture throughout the Company. The responsibilities of this Committee are enshrined in Article 37, paragraph b. of the Company's Bylaws as well as in the Rules and Regulations governing this Committee, which can be found on the Company's website (www.gruposura.com).

MAIN SHAREHOLDERS

The following table contains a breakdown of the Company´s shareholder structure at year-end 2016, based on the data recorded in the Stock Ledger:

SHAREHOLDER	SHARES HELD	% STAKE
Grupo Argos S.A.	129,721,643	22.55%
Grupo Nutresa S.A.	59,387,803	10.32%
Fondo De Pensiones Obligatorias Porvenir Moderado	53,698,083	9.33%
Fondo de Pensiones Obligatorias Proteccion Moderado	46,742,019	8.12%
Cementos Argos S.A.	28,183,262	4.90%
Harbor International Fund	19,027,442	3.31%
Fondo De Pensiones Obligatorias Colfondos Moderado	17,156,090	2.98%
Oppenheimer Developing Markets Fund	16,843,317	2.93%
Colombiana De Comercio S.A. Corbeta and/or Alkosto S.A.	10,000,000	1.74%
Grupo Argos´ Foundation	9,649,348	1.68%
Fondo Bursatil Ishares Colcap	9,496,987	1.65%
Old Mutual Fondo De Pens. Obligatorias - Moderado	6,933,937	1.21%
Other shareholders with stakes of less than 1% (1)	168,532,292	29.29%
Total	**575,372,223**	**100.00%**

(1) Including 12,895 shareholders, who individually hold less than 1.0% of our common and preferred stock

Our ordinary shares are traded on the Colombian Stock Exchange (BVC) under the ticker symbol "GRUPOSURA", and our Level 1 American Depositary Receipts ("ADRs") are traded on the Over-the-Counter-Market ("OTC Market") in the United States under the symbol "GIVSY." Our preferred shares, on the other hand, trade on both the Colombian Stock Exchange (BVC) under the ticker symbol "PFGRUPSURA") as well as on the OTC market in the United States in the form of ADRs Level 1 under the symbol "GIVPY".

NOTE 2. BASIS FOR PREPARING THE SEPARATE FINANCIAL STATEMENTS

2.1. COMPLIANCE STATEMENT

These consolidated financial statements have been prepared in accordance with Financial Reporting and Accounting Standards (FRAS), as provided by Law 1314 of 2009, which in turn were regulated by the Unified Regulatory Decree 2420 of 2015 and subsequently amended by means of Decrees 496 of 2015 as well as 2131 of 2016. These IFRS are based on International Financial Reporting Standards (IFRS), together with their corresponding interpretations as issued by International Accounting Standards Board (IASB), these corresponding to their officially translated versions in Spanish which were approved by the aforementioned body on December 31, 2013.

The following guidelines that the company applies are included in the aforementioned decrees and constitute exceptions to the IFRS as issued by the IASB:

» Article 2.1.2. of Part 1 Book 2 of Decree 2420 of 2015 as later supplemented by Decree 2496 of 2015 and amended by Decree 2131 of 2016 requires that provided by Article 35 of Law 222 to be applied, namely that investments in subsidiaries must be recognized via the equity method in the separate financial statements, as opposed to that stipulated in IAS 27, that is to say at cost or at fair value.

» El artículo 4 del decreto 2131 de 2016 modificó la parte 2 del libro 2 del decreto 2420 de 2015 adicionado por el decreto 2496 de 2015 permitiendo al 31 de diciembre de 2016 la determinación de los beneficios post empleo por concepto de pensiones futuras de jubilación o invalidez, bajo los requerimientos de la NIC 19, sin embargo requiere la revelación del cálculo de los pasivos pensionales de acuerdo con los parámetros establecidos en el Decreto 1625 de 2016, artículos 1.2.1.18.46 y siguientes y, en el caso de conmutaciones pensionales parciales de conformidad con lo dispuesto en el numeral 5 del artículo 2.2.8.8.31 del Decreto 1833 de 2016, informando las variables utilizadas y las diferencias con el cálculo realizado en los términos del marco técnico bajo NCIF.

The Company also applies the following guidelines in accordance with applicable legislation and other regulations in Colombia:

» External Circular 036 of 2014 issued by the Colombian Superintendency of Finance, which provides instructions on how to post adjustments made to the opening balance sheets in the case of all those companies coming under the oversight of this Superintendency, or the parent companies of entities subject to such oversight. Besides containing recommendations relating to the adjustments to be made by entities subject to the oversight of the Colombian Superintendency of Finance, this same Circular also addresses how adjustments arising from the impairment of financial assets are to be posted in books. Likewise, it requires that IFRS preparers in the case of entities coming under the oversight of said Superintendency set up provisions for the assets received either in payment or in the form of restitution, regardless of how they are classified in books, this pursuant to instructions contained in Chapter III of the Basic Accounting and Financial Circular. Under IFRS, these assets are posted based on their specific classification in accordance with IAS 16 or IFRS 5, as applicable.

2.2.BASIS OF MEASUREMENT

The presentation of these financial statements in accordance with IFRS require estimates and assumptions to be made that affect the amounts reported and disclosed in said financial statements, without undermining the reliability of the reported information. Therefore, the real results recorded could differ from the figures thus estimated. Estimates and assumptions are constantly reviewed and recognized during the reporting period in which the review takes place should this affect the period in question or the period in which the review is carried out or in any future period should this affect both the present and future periods.

Financial assets and liabilities measured at fair value correspond to those classified as assets and liabilities at fair value through profit or loss, together with equity investments measured at fair value through equity as well as all derivatives, assets and liabilities that are designated as hedged items as part of hedging arrangements measured at fair value. Here, the corresponding carrying values are adjusted based on changes to their fair value attributable to the hedged risk.

2.3. PRESENTATION OF FINANCIAL STATEMENTS

Grupo Sura presents its Statement of Financial Position in order of liquidity.

As for its Statement of Comprehensive Income, income and expense are not offset, unless this is permitted or required by any accounting standard or interpretation thereof, as stipulated in Grupo Sura 's policies.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied upon preparing the Opening Separate Statement of Financial Position as well as the other separate financial statements prepared in accordance with the Financial Reporting and Accounting Standards accepted in Colombia (FRAS), unless otherwise indicated.

The following are the more significant accounting policies that Grupo Sura applied upon preparing its separate financial statements:

3.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as appearing in the Statement of Financial Position and Cash Flow Statement include cash in hand and banks, highly liquid investments and money market transactions that are readily convertible into cash and subject to an insignificant risk of changes to their value, with maturities of three months or less from the date of their acquisition.

3.2. FINANCIAL INSTRUMENTS

Financial assets

Grupo Sura initially recognizes its financial assets at fair value for subsequent measurement at amortized cost or fair value depending on the business model used to manage said financial assets and the specific characteristics of the contractual cash flows obtained from the instrument in question.

This initial recognition consists of Grupo Sura measuring a financial asset at fair value. In the case of assets carried at fair value, these amounts are reduced by the amount of expense incurred with the respective transaction, these being charged to an expense account. On the other hand, in the case of assets carried at amortized cost their corresponding transaction costs are added, since these form an integral part of the cost of the financial instrument in question and as such may be amortized over the instrument´s lifetime title using the effective interest rate method.

Financial assets are recognized on the date the operation is completed. Likewise, the corresponding interest income is recognized in the same account as their appraised values.

Accounts receivable
For the purpose of measuring accounts receivable Grupo Sura opted for a business model based on their contractual cash flows, which is why these are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

Financial assets other than those measured at amortized cost
Financial assets, other than those measured at amortized cost, are measured at fair value, which includes investments in equity instruments that are not held for sale.

Cash dividends received from these investments are recognized in the income statement as profit or loss.

Impairment of financial assets at amortized cost
In the case of assets recognized at amortized cost, impairment is assessed using the incurred credit loss model at the end of the reporting period. Grupo Sura recognizes the value of changes to credit losses incurred as an impairment gain or loss. Credit losses incurred in the case of financial assets at amortized cost are measured at amounts equal to the credit losses incurred over the following 12-month period unless the risk of the financial instrument in question has increased significantly since it was initially recognized.

A single financial asset or group of such shall be considered impaired and have sustained a loss to its value if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the asset´s initial recognition (a "loss event") and when such loss event (or events) have an impact on the estimated future cash flows of the financial asset(s) in question and can be reliably estimated.

Impairment to financial assets measured at amortized cost is posted in a separate account and this is not directly allocated to the instrument in question.

Financial liabilities
Upon their initial recognition, Grupo Sura measures its financial liabilities at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability in question and then proceeds to classify at initial recognition said financial liabilities for subsequent measurement either at amortized cost or at fair value depending on the liability.

Liabilities at amortized cost are measured using the effective interest rate method.

Gains and losses are recognized in the Statement of Comprehensive Income when liabilities are de-recognized as well as when amortized using the effective interest rate method, which is recorded as a financial cost in the Statement of Comprehensive Income.

Financial instruments that contain both a liability and an equity component (compound financial instruments) are recognized and accounted for separately. The liability component is determined by the fair value of future cash flows and the residual value is assigned to the equity component.

De-recognition
A financial asset, or a portion thereof, is de-recognized from the Statement of Financial Position when it is sold, transferred or otherwise matures or when Grupo Sura loses control over the contractual rights or cash flows pertaining to said instrument. A financial liability, or a portion thereof, is de-recognized from the Statement of Financial Position when the contractual obligation is settled, paid or has otherwise matured

Offsetting financial instruments

Financial assets and financial liabilities are offset and their net amounts are recognized in the Consolidated Statement of Financial Position if, and only if (i) there is, at the present time, a legally enforceable right to offset such recognized values, and (ii) the holder of such intends to settle these at their net values or realize the assets and settle the liabilities simultaneously.

Derivatives

Changes to the fair value of derivative contracts held for sale are included under gains (losses) from financial operations in the Consolidated Statement of Comprehensive Income. Certain derivatives that are incorporated in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the host contract and they are not recorded at fair value with their unrealized gains and losses through profit or loss.

When a derivative contract is first signed, Grupo Sura must classify this as a derivative instrument held for trading or hedging purposes.

Certain derivative transactions that are not eligible to be accounted for as hedging derivatives are treated and reported as derivatives held for trading purposes, even though they provide an effective hedge for managing risk positions.

Compound financial instruments

According to IAS 32, an issuer of a non-derivative financial instrument derivative should assess the corresponding terms and conditions for classifying this as a compound financial instrument, that is to say, whether it contains both a liability and an equity component, based on the following criteria:

» A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable.

» An equity instrument is any contract or arrangement that evidences a residual interest in the assets of an entity after deducting all of its liabilities (net assets).

Grupo Sura 's preferred shares cannot be considered entirely as an equity instrument because the corresponding contractual clauses provide for the obligation of delivering cash or another financial asset to their holders. Similarly, they cannot be considered entirely as a liability, because they do not convey the obligation of providing the holder with the total amount of money received on the issue of shares. Consequently they must be considered as compound financial instruments.

Initial measurement of a compound financial instrument

The liability and equity components of compound financial instruments must be measured separately. Therefore, for the initial measurement of a compound financial instrument, the equity component is determined as the residual amount after deducting the fair value of the instrument as a whole and the amount separately determined for the liability component. The sum of the carrying amounts allocated to said liability and equity components, at the time of their initial recognition, shall always be equal to the fair value of the instrument as a whole. No gains or losses may arise from the initial recognition separately performed on said components.

Incremental costs relating to the issue of preferred shares

Under IAS 32, a company incurs various types of costs and expense upon issuing its own equity instruments, which are posted as a lower value thereof (net of any applicable tax benefit), to the extent that these qualify as incremental costs directly attributable to the equity transaction itself that would otherwise not have been incurred had the instruments not been issued in the first place.
Transaction costs relating to an issue of compound financial instruments are allocated between their equity and liability components, bearing in mind that upon initial recognition IFRS 9 stipulates that a company shall measure a financial asset or a financial liability at fair value, adding or subtracting transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability itself. These costs should be included in calculating the effective interest rate for appraising the value of such.

Transaction costs are to be distributed between the corresponding liability and equity components using a basis for their distribution that is both rational and consistent with similar transactions.

Subsequent measurement of a financial liability in the form of a compound financial instrument Grupo de Inversiones Suramericana S.A. measures its financial liabilities at amortized cost subsequent to their initial recognition .

3.3.TAX ASSETS AND LIABILITIES

This account includes the value of all mandatory taxes payable by the Company to the State, as calculated by means of the Company's own tax settlements based on the tax rates applicable to the fiscal period in question pursuant to all applicable tax legislation in Colombia on a nationwide or local basis

3.3.1.Current

Current income tax assets and liabilities for the current period are measured based on the amounts expected to be either recovered from or paid to the Colombian tax authorities. Income tax expense is recognized under current tax, based on comparing taxable income with book gains or losses subject to the income tax rate levied for the current year and in accordance with the provisions set out in Colombian tax legislation. The tax rates and regulations on which these values are based are those that are in full force and effect at the end of the reporting period in question.

3.3.2.Deferred tax

Deferred income tax is recognized using the liability method calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences as well as for the future offsetting of unused tax credits and tax losses to the extent that there is sufficient future taxable income against which said tax can be offset. Deferred tax is not discounted.

Deferred tax assets and liabilities are not recognized if the temporary differences arising from the initial recognition of an asset or liability forming part of a transaction that does not constitute a business combination and at the time of the transaction said deferred tax items affect neither book profits nor the taxable gains or losses ; and in the case of deferred tax liabilities when these arise as a result of the initial recognition of goodwill.

Deferred tax liabilities with regard to investments in subsidiaries, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that these differences shall not be reversed in the near future. On the other hand, deferred tax assets with regard to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences shall be reversed in the near future and there is likely to be sufficient future taxable income against which these deductible differences can be charged.

The carrying amount of deferred tax assets is reviewed at the close of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable income shall be available to offset all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the close of each reporting period and are recognized to the extent that it is probable that there shall be sufficient future taxable income to cover such.

Deferred tax assets and liabilities are measured based on the tax rates projected for the period in which the asset is realized or the liability is paid, based on the tax rates and regulations that were either approved or due to be approved on or near the respective filing date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and are collected by the same tax authority.

Deferred tax is recognized in profit or loss, except for those items that are recognized either as other comprehensive income or directly in the equity accounts.

Current income tax assets and liabilities also are offset if they relate to the same tax authority and the holder intends to settle these at their net values or realize the asset and simultaneously settle the corresponding liability.

3.3.2. Equality income tax (CREE in Spanish)

Equality income tax is paid by all corporations, companies and other legal entities that pay income and ancillary taxes so that the Government can create more jobs and invest in social development. The equality income tax rate stood at 9% until the tax year of 2016 (2015 – 8%)

Equality income tax losses incurred as of the fiscal year of 2015 may be offset against the amount of equality tax payable, in accordance with that stipulated in Article 147 of the Tax Code

Any surplus obtained with the minimum equality income tax base applicable as of the fiscal year of 2015, may be offset against certain specific income pursuant to Section 1 of Article 22 of Law 1607 of 2012 within the following five years, as adjusted for tax purposes.

The same tax provisions as for ordinary income tax shall apply to equality income tax, such as transfer pricing and under-capitalization as well as rules and regulations regarding the recovery of deductions (these issued by means of Decree 2701 of 2013).

It shall be possible to take advantage of the discount for taxes paid abroad, as shown in the taxpayer´s Equality Income Tax return, (this discount was formerly calculated as part of the income and ancillary tax return). This discount may not exceed the amount of equality income tax due as well as the surtax that taxpayers must pay on this same income.

It is not possible to offset the value to be paid in equality income tax and the corresponding surtax against credit balances with regard to other taxes. Neither it is possible to offset the credit balance due from equality income tax and corresponding surtax against payments or prepayments of other taxes, withholdings, and sanctions.

EQUITY INCOME TAX SURTAX (CREE IN SPANISH)

By means of Law 1739 of 2014, the equality income tax surcharge entered into full force and effect for the tax years of 2015 and 2016, this based on the rate therein stipulated for the different ranges of income.

This consists of a temporary surtax corresponding to the tax years of 2015 and 2016. However, taxpayers must pay 100% of its value in the form of an advance payment consisting of two annual installments within the term provided for such.

Taxpayers declaring incomes of more than COP 800 are subject to equality income tax (CREE in Spanish)

Despite being a surtax, it has the same tax base as the equality income tax, which must be calculated based on the provisions of Article 22 et seq of Law 1607 of 2012, as amended.

SURTAX RATE

LOWER LIMIT	UPPER LIMIT	RATE FOR 2015	RATE FOR 2016
0>=800	<800 onwards	(Tax Base- 800) * 5%	(Tax Base-800) * 6%

Law 1819 of 2016 abolished the equality income tax and corresponding surtax for the years 2017 and 2018 and in turn increased the general income tax rate to 34% for 2017 and 33% for subsequent years by creating an income and ancillary surtax of 6% and 4% for the tax years of 2017 and 2018, respectively, the latter surtax to be applied to tax bases of COP 800 million onwards.

3.3.3 Wealth Tax

Currently applicable legislation provides for a temporary wealth tax for the fiscal years of 2015, 2016 and 2017 (for natural persons until 2018). This tax accrues on a yearly basis on the income statement, and must be paid by:

El impuesto debe ser pagado por:

- Legal persons, de facto companies, private individuals, illiquid estates, and generally speaking all those paying income and ancillary taxes.
- Foreign companies and entities, based on their net worth in Colombia, regardless of whether or not they pay income and ancillary taxes.
- Foreign equity investors

This tax shall only accrue if at January 1, 2015, the taxpayer has a net worth equal to or higher than COP 1,000 .

The respective tax base is calculated by taking the gross assets held at January 1st 2015, January 1st 2016 and January 1st 2017 (January 1st, 2018 for private individuals) and subtracting debts and amounts owing by the taxpayer on these same dates.

It is important to bear in mind the following aspects when determining the tax base:

For all taxpayers:
The equity value of shares, quotas or interests in domestic companies owned directly or through commercial trust funds or mutual funds, voluntary pension funds, voluntary insurance or individual life insurance companies is excluded from the tax base (amongst other values).

Currently applicable legislation also sets upper and lower limits for this tax base:

UPPER LIMIT (CAP)	LOWER LIMIT (FLOOR)
Should the net assets subject to this tax for the years 2016 and 2017 (2018 in the case of private individuals) be greater than those declared for the year 2015: The tax base for any of those years shall be the lesser of: (i) the tax base corresponding to 2015 plus 25% of the inflation rate corresponding to the year immediately preceding that in which such tax is declared; and (ii) the tax base determined for the year being declared.	Should the net assets subject to this tax for the years 2016 and 2017 (2018 in the case of private individuals) be lower than those declared for the year 2015: The tax base for any of those years shall be the greater of: (i) the tax base corresponding to 2015 minus 25% of the inflation rate corresponding to the year immediately preceding that in which such tax is declared; and (ii) the tax base determined for the year being declared.

Las tarifas del impuesto para personas jurídicas residentes y no residentes son:

LOWER LIMIT	UPPER LIMIT	RATE FOR 2015	RATE FOR 2016	RATE FOR 2017
> 0	<2,000	(Tax base) * 0.20%	(Tax base) * 0.15%	(Tax base) * 0.05%
> = 2000	<3,000	(Tax base- 2,000) * 0.35% + 4	(Tax Base- 2000) * 0.25% + 3	(Tax Base- 2,000) * 0.10% + 1
> = 3,000	<5,000	(Tax Base- 3,000) * 0.75% + 7.5	(Tax Base- 3,000) * 0.50% + 5.5	(Tax Base- 3,000) * 0.20% + 2
> = 5,000	Onwards	(Tax Base- 5000) * 1.15% + 22.5	(Tax Base- 5,000) * 1.00% + 15.5	(Tax Base- 5,000) * 0.40% + 6

Wealth tax is not deductible from income and ancillary tax or from Equality Income Tax, and its value cannot be offset against credit balances with respect to other taxes.

STRUCTURAL TAX REFORM

The following are the most important changes to the Colombian tax system for 2017 and subsequent years, as introduced by Law 1819 of December 29, 2016:

Taxpayers´ net income may not be less than 3% of their net worth, on the last day of the immediately preceding taxable year. The rate applicable as of 2017 is set at 3.5%.

Income tax to be applied in the case of resident natural persons receiving declared tax-exempt dividends equal to more than 600 TVU (Tax Value Units) of up to 10% . The tax rate for taxed dividends is set at 35%.

Income tax for non-resident natural persons and legal entities on declared tax-exempt dividends is set at 5%. This tax is set at 35% for taxed dividends

The equality income tax was abolished for the tax year of 2017 and instead the income and ancillary tax rate was increased to 34% for 2017 and to 33% as of the tax year of 2018

A 6% income and ancillary surtax was introduced for the year 2017 on net incomes of more than COP 800 million, with this dropping to 4% in 2018.

As of the tax year of 2017, international accounting standards shall be used to determine the amount of income and ancillary tax due for all those cases that are not regulated by Colombian legislation.

The Foreign Controlled Non - Resident Entity Regime was created in Colombia (ECE in Spanish) which consist of a series of anti - deferral rules and regulations for the purpose of applying income tax on the passive income obtained by said entities in the same year in which these accrue this in proportion to the stake or interests held.

The Value Added Tax rate was increased by 3 percentage points to 19% and is now applicable to the sale of intangibles relating to intellectual property, among other items that now are subject to this type of tax.

Financial Transaction Tax continues on a permanent basis.

The Sanction Application Regime has been modified and the term allowed for the tax authorities to officially accept tax returns was increased to (i) three years as of the deadline for presenting such or when filing an application for tax credits to be reimbursed; (ii) six years if the tax return was filed by a taxpayer subject to transfer prices; and (iii) twelve years if a tax loss was settled on the tax return, which may be deferred over three more years should this be offset over the last two years.

Sanctions and interest may be conciliated, that is to say an amnesty has been declared for all those persons with outstanding obligations with the customs, tax and exchange authorities.

3.4. PROPERTY AND EQUIPMENT

Grupo Sura has defined as its property and equipment (P & E) all those tangible assets that will be used in more than one accounting period and that are expected to be recovered through their use as opposed to their sale.
Grupo Sura includes in the initial cost of such property and equipment all those costs incurred in their acquisition or construction while these are made ready for use.
Grupo Sura recognizes all those assets purchased for more than USD 700 as an item belonging to its property and equipment account, except for the IT-related assets, whose purchase cost is higher than USD 400. Purchase costs are measured based on the exchange rate applicable to the transaction in question and after deducting any discount or rebate obtained with said purchase.
When Grupo Sura decides to make large-scale purchases of similar assets, that is to say acquired on the same date and fulfilling the same conditions, this type of purchase is recorded provided it exceeds USD 100,000, based on the exchange rate applicable to the transaction in question and after deducting any discount or rebate obtained with said purchase.

After initially recognizing real estate property (land and buildings) Grupo Sura proceeds to subsequently measure these using the revaluation approach, that is to say at fair value, which is the price that would be obtained were it to sell the asset as part of an orderly transaction between market players on the date the measurement is carried out.
For all other types of property and equipment the cost model is used.
At least every four years Grupo Sura commissions property appraisals to be performed on said property so as to ensure that the carrying value of these assets does not differ materially from their fair value. Revaluation gains are usually recognized as other comprehensive income in the Statement of Comprehensive Income while the equity component is separately accounted for as a "revaluation surplus".

Declines in the prices of assets must be posted as a lower value of the balance of other comprehensive income account, should this exist, if not directly through profit and loss.

Depreciation

Grupo Sura depreciates its property and equipment using the straight-line method for all types of assets, except for land. Land and buildings are separable assets and are accounted for separately, even when they are acquired together. Depreciation begins when the assets are situated in their location and are ready to be operated; and ceases on the date the asset is classified as held for sale or as an investment property measured at fair value, in accordance with applicable accounting policies.

Grupo Sura de-recognizes its property, plant and equipment when this is sold off or when no future economic benefits are expected to be obtained from their use or disposal. Any gains or losses arising from the de-recognition of any item belonging to the property, plant and equipment account are charged to profit and loss for the period.

Residual value

Grupo Sura assigns residual values to vehicles classified as for its administrative use these equal to 30% of the cost of acquiring the asset in question. For all other types of assets, a residual value of zero is posted.

Useful lives

Grupo Sura defined the following useful lives for its property and equipment:

Buildings	between 80 and 100 years
Parking spaces	60 to 100 years
IT equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 to 10 years

Grupo Sura reviews the useful lives of all assets, at least at the end of each accounting period.

3.5. FAIR VALUE

In measuring fair value, Grupo Sura takes into account all the following items:

a. The specific asset or liability to be measured (in keeping with its unit of account).

b. For a non-financial asset, the corresponding valuation approach selected.

c. The main (or most advantageous) market for the asset or liability in question.

d. The valuation approaches used for their measurement, in the light of available data with which to calculate the variables that form the basis of the assumptions that market participants would use when pricing the assets and liabilities and the level of the fair value hierarchy in which the variables are classified.

*** Measuring assets or liabilities**

When measuring the fair value of an asset or liability, Grupo Sura considers the following factors:

The characteristics of the specific asset or liability as would market participants when pricing said asset or liability including, for example, the following:

Las características del activo o pasivo en la misma forma en que los participantes de mercado las considerarían para fijar el precio de dicho activo o pasivo, por ejemplo, los siguientes:

» The condition and location of the asset.
» Restrictions, if any, on the sale or use of the asset in question.

How these characteristics would be borne in mind by market participants.

Measuring non-financial liabilities

A fair value measurement supposes that a non-financial liability is transferred to a market participant on the date the measurement is performed, and this liability remains outstanding while the recipient is able to satisfy the obligation.

When there is no observable market capable of providing pricing information, this data may be obtained from other parties who maintain these liabilities in the form of assets and the fair value of such shall be measured from the standpoint of a market participant.

*** Fair value at initial recognition**
When Grupo Sura acquires an asset or a liability, the price paid (or the price of the transaction) is taken as the entry price. Since companies do not necessarily sell assets at the prices paid to acquire these and similarly, companies do not necessarily transfer liabilities at the price received for taking them on, from the conceptual viewpoint, entry and exit prices can be widely different. The purpose of a fair value measurement is to estimate the exit price.

*** Valuation approaches**
The valuation approaches used by Grupo Sura as listed below:

- **Market approach:** this technique is mainly used to measure investment properties and fixed assets whose subsequent measurement is based on the re-measurement model as determined by Grupo Sura as . It is also used to measure financial assets that have been determined at fair value according to the fair value business model and that are normally traded on active markets.

» **Income approach:** this valuation technique is used for financial assets and liabilities determined at fair value which are not traded on active markets.

» **Cost approach:** this technique is used to determine the amount that would otherwise be required to replace the asset or service provided by such (often referred to as the current replacement cost).

3.6.INVESTMENTS

3.6.1. Subsidiaries
A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo Sura ´s portfolio. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

An amendment made to IAS 27 - Equity Method in Separate Financial Statements allows entities to use the equity method to account for subsidiaries, joint ventures and associates in its separate financial statements. Entities that have already implemented IFRS and choose to change to the equity method, must apply this change retrospectively.

3.6.2. Associates
An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

Grupo Sura exerts significant influence when it has the power to intervene in the financial or operating decisions of another company without achieving total or joint control. Grupo Sura is presumed to exert significant influence when:

It directly or indirectly holds 20% or more of the voting power of the company in question, unless there is clear evidence that such influence does not exist through its governing bodies; or

Grupo SURA evidencia la influencia significativa a través de uno o varios de los siguientes aspectos:

» Grupo Sura exerts significant influence through one or more of the following:
» By being a member of the governing body of either the Company or the associate;
» By participating in the policy-making and decisions taken in terms of dividends and other distributions;
» By performing material transactions with the associate;
» By exchanging Senior Management personnel; or
» By providing essential technical information.

Investments are initially recognized at cost and are subsequently measured using the equity method.

When an investment is first acquired, Grupo Sura must post the difference between the cost of investment and the portion corresponding to Grupo Sura as the net fair value of identifiable assets and liabilities of the associate:

If the portion of the fair value of the associate´s identified assets and liabilities is less than the value of their acquisition, this produces a higher value that forms part of the cost of the investment; or

If the portion of the fair value of the associate´s identified assets and liabilities is higher than the value of their acquisition, this is considered a purchase on favorable terms and the difference is recognized as income for the period.

Cash dividends received from the associate are recognized through profit or loss.

Grupo Sura periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate or joint venture. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, this being the higher of its value in use or its fair value less selling costs, and its corresponding carrying amount.

When significant influence is no longer exerted over the associate, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, including the value obtained from its sale, is recognized in profit or loss

3.7. IMPAIRMENT OF ASSETS

Grupo Sura must ensure that its operating assets, that is to say its property and equipment plus intangible assets, and investments are recorded at a value that does not exceed their recoverable value, that is to say, that their carrying amounts do not exceed the value that may be recovered through their continued use or sale . Should this be the case, Grupo Sura must recognize an impairment loss on value of the asset in question.

Grupo Sura examines on the closing dates of the Statements of Financial Position or the interim financial statements, whether there are signs of impairment. If any such indication exists, Grupo Sura proceeds to estimate the recoverable amounts.

3.8. EMPLOYEE BENEFITS

Employee benefits include all amounts that Grupo Sura pays its workers in exchange for their services. Employee benefits are classified as short-term, post-employment, long-term and / or termination benefits.

Short-term benefits

These are benefits (other than termination benefits) that are expected to be completely settled within a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. These short-term benefits are recognized to the extent that employees provide their services for the amounts expected to be paid.

Long-term benefits

The long-term benefits include all types of remuneration owing to the employee, after a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services Here, Grupo Sura measures the surplus or deficit obtained from the long-term employee benefit plan using the post-employment benefit approach both for estimating the corresponding obligation as well as the assets pertaining to the plan; thereby arriving at the value of the net defined benefit by finding the deficit or surplus produced by the obligation.

Post-employment benefits

Post-employment benefits are all those which are granted to employees after they leave the Company to enjoy their retirement. Similarly, and depending on the economic essence of the remuneration granted, these benefits could consist of defined contribution plans, under which the obligation is limited to fixed contributions paid to an outside company or fund, and is recognized once the employee has provided his or her services for a set period of time and the expense incurred for the period is disclosed at its nominal value; or they could consist of defined benefit plans, where Grupo Sura has a legal or implicit obligation to pay such benefits, and which require the use of actuarial calculations, in order to recognize the defined benefit obligation based on actuarial assumptions.

Benefits classified as long term and post-employment are discounted using the sovereign bond rates of each of the countries where Grupo Sura is present, bearing in mind the dates of the flows from which Grupo Sura expects to make such disbursements.

Termination benefits are payments for early retirement or redundancy payments, and therefore only accrue when the employment relationship is completed. Grupo Sura recognizes termination benefits as a liability as well as an expense when the benefits thus offered cannot be withdrawn due to contractual issues or when recognizing restructuring costs.

3.9. PROVISIONS AND CONTINGENCIES

Provisions are recognized when Grupo Sura has a present legal or implicit obligation as a result of a past event and there is the likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated. If these conditions are not met, a provision should be recognized.

Grupo Sura recognizes provisions in its Statement of Financial Position using its best estimates of the expenditure required, i.e. the value to be paid in order to settle the obligation for the reporting period in question, bearing in mind the risks and uncertainties affecting said estimates.

Grupo Sura considers that a provision must be set up when there is more than a 50% probability of incurring a loss.
Grupo Sura recognizes, measures and discloses the provisions arising in connection with contracts made for valuable consideration, restructurings, contractual and litigation proceedings, as long as there is high probability that the Company shall have incurred in an obligation and must settle such.

Grupo Sura defines a contingent liability as being an obligation arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events, or as a present obligation that arises from past events but is not recognized. The Company also classifies a contingent asset as arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events.

Since contingent assets and liabilities stem from unexpected events and there is no certainty of obtaining future economic benefits from such, they are not recognized in the Statement of Financial Position until they actually materialize.

3.10.CURRENCY

3.10.1.Functional and reporting currency
Grupo Sura's separate financial statements are presented in millions of Colombian pesos, rounded up or down to the nearest unit, the peso being the Group´s functional and reporting currency,

3.10.2. Foreign Currency
Foreign currency transactions are initially recorded using the exchange rate applicable to the functional currency on the date of the corresponding transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency prevailing at the close of the reporting period; non-monetary items that are measured at fair value are translated using the exchange rates applicable on the dates when their fair value is determined and non-monetary items measured at historic cost are translated using the exchange rates applicable on the dates of the original transactions.

3.11. ORDINARY INCOME

Dividend income
Grupo Sura recognizes dividend income when it is entitled to receive such, which is usually when the dividends are first declared, except when the dividend represents a recovery of the cost of the investment. No dividend income is recognized when payment is made to all shareholders in the same proportion as the stakes held in the corresponding issuer.

Measuring income

Grupo Sura measures income by estimating the fair value of the consideration received or pending receipt.

The amount of income obtained from a transaction is usually decided between the Company and the buyer or user of the asset in question.

For the Company, in almost all cases, this consideration is usually paid in the form of cash or cash equivalents and the amount of revenue corresponds to the amount of cash or cash equivalents received or pending receipt.

3.12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss attributable to the holders of ordinary shares for the period in question by the weighted average number of shares outstanding during this same time frame.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND CAUSES OF UNCERTAINTY IN PREPARING THE FINANCIAL STATEMENTS

The preparation of the separate financial statements in accordance with FRAS requires Senior Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

These estimates and underlying assumptions are periodically reviewed. . The corresponding adjustments made to the accounting estimates are recognized in the period in which the estimate is reviewed as well as in any future periods that may be affected

Said estimates and assumptions are determined subject to internal control procedures and approvals, which are in turn based on internal and external studies, industry statistics, environmental factors and trends as well as legal and regulatory requirements.

Accounting estimates and assumptions

The following are the key assumptions regarding the future performance of certain variables at the reporting date and which pose a significant risk of causing a material adjustment to the value of assets and liabilities to be stated in the next financial statement given the uncertainty prevailing with their performance.

a) **Revaluation of property for own use**

Grupo Sura records its real estate property (land and buildings) at fair value and any changes thereto are recognized in the equity accounts under other comprehensive income.

Any revaluation increase is recognized in other comprehensive income and accumulates in equity as a revaluation surplus. These revaluations are calculated every four years.

When the carrying value of an asset as a result of a revaluation is reduced, the corresponding decrease is recognized in profit or loss. However, this decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus with regard to said asset.

The decrease thus recognized in other comprehensive income reduces the amount accumulated in equity as a revaluation surplus.

The fair values of land and buildings are based on periodic appraisals carried out by qualified outside appraisal firms as well as internally by the Group´s own professional staff.

b) **Fair value of financial instruments**

When the fair value of financial assets and liabilities recorded in the Statement of Financial Position is not obtained from active markets it is determined using valuation methods that include the cash flow discount model. The information provided by these models is taken from observable markets where possible, but when this is not the case, a certain amount of judgment is required to determine their fair values. This includes weighing the corresponding liquidity, credit and volatility risks.

Note 8 - Financial Instruments includes information regarding the assumptions made in measuring fair value.

c) Taxes

There is a certain degree of uncertainty regarding the interpretation of complex tax regulations, the modifications made from time to time to such as well as the measurement and timing of future taxable income. Given the wide range of international trade relations and the complex long-term horizons contained in contractual agreements, differences may well arise between the results actually obtained and the estimates and assumptions used for calculating such, as well as future changes to the latter. This may require future adjustments to be made to taxable income and expense already recorded. Provisions are set up, based on reasonable estimates, with regard to possible findings produced by official audits performed by the tax authorities in each of the countries where the Company is present. The scope of these provisions is based on several factors, including the Company´s past experience with previous audits conducted by the tax authorities on the taxpayer entity.

Deferred tax assets are recognized for unused tax losses, to the extent that it is probable that taxable profits shall be available to offset such losses. Senior Management is also required to exercise its judgment in determining the value of the deferred tax asset to be recognized, based on the likely timing and level of future taxable profits, the Company´s own strategies in terms of tax planning, together with the useful life and residual values of property, plant and equipment as well as intangible assets.

Grupo Sura reviews the useful lives of all property and equipment as well as intangible assets, at least at the end of each accounting period. The effects of changes to the estimated useful life of an asset are recognized prospectively over its remaining life.

d). The probability of occurrence and the value of contingent or uncertain amounts of liabilities.

Grupo Sura shall recognize a provision when the following conditions are met:

a) It has a present obligation (legal or implicit) as a result of a past event.

b) There is a likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation,

c) The value of which can be reliably estimated.

e) Employee benefits

The measurement of post-employment and defined benefit obligations includes determining key actuarial assumptions on which the value of these liabilities is based.

Information regarding assumption and estimation uncertainties that pose a significant risk of producing a material adjustment for the year ended December 31, 2014, is included in the following notes:

Notes 12.2 and 12.3 - Long-term benefits and post-employment benefits: key actuarial assumptions

Note 9 -Taxes: recognition of deferred tax assets, availability of future taxable profits to be used to offset losses obtained in prior periods

Discretionary judgment

Upon preparing Grupo Sura 's financial statements, its Senior Management is called on to make judgments that affect the values of the income, expense, assets and liabilities therein reported as well as contingent liabilities disclosed at the end of the reporting period in question.

NOTE 5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2016.

The nature and impact of each new standard and/or amendment are described below:

AMENDMENTS TO IFRS 10, IFRS 12 AND IAS 27: INVESTMENT ENTITIES

These amendments, to be applied retroactively (with certain exceptions during the corresponding transition period), provide for an exception to the requirement for consolidating entities that meet the definition of investment entities in accordance with IFRS 10 - Consolidated Financial Statements. This consolidation exception requires that investment entities record their subsidiaries at fair value through profit or loss. These changes had no impact whatsoever on the Group, since none of the Group´s entities is classified as an investment entity under IFRS 10.

AMENDMENTS TO IAS 32: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

These amendments, to be applied retroactively, clarify the meaning of "currently has a legally enforceable right of set-off" as well as the criteria for determining the settlement process to be used when the realization of the financial asset and the settlement of a financial liability do not occur simultaneously. These changes had no impact on the Group, as none of the Group entities have any settlement arrangements.

AMENDMENTS TO IAS 39: NOVATION OF DERIVATIVES AND CONTINUATION OF HEDGE ACCOUNTING

These amendments, to be applied retroactively, provide exemptions that allow for hedge accounting to be continued when a derivative, designated as a hedging instrument, is novated, providing this meets certain criteria. These modifications have had no impact whatsoever on the Group, since no changes have been made to its derivatives during the current or prior years.

IFRIC 21 - LIENS

IFRIC 21 provides guidance for entities to recognize a liability as a lien when the activity, as defined in the corresponding legislation, is carried out entailing the payment of this same activity. In the case of liens that become due and payable when a certain amount is reached, the IFRIC interpretation clarifies that the liability should not be recorded until the aforementioned threshold is reached. IFRIC 21 is to be applied retroactively. This interpretation has had no impact on the Group whatsoever, since in previous years the principles for recognizing said liabilities as liens as contained in IAS 37 - Provisions, Contingent Liabilities and Contingent Assets have been applied, these being consistent with that stipulated in IFRIC 21.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2010-2012

In its 2010-2012 annual improvements cycle, the IASB issued seven amendments to a total of six standards, which included an amendment to IFRS 13 - Fair Value Measurement. The amendment to IFRS 13 became immediately effective and therefore has to be applied to the years beginning on January 1, 2016. The accompanying "Basis For Conclusions" provides guidance in the case of accounts receivable and payable in the short term that do not carry an interest rate, which can now be recorded as the amounts contained in the respective invoices when the effect of any discount offered is immaterial. This amendment to IFRS 13 had no impact whatsoever on the Group.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2011-2013

In its 2010-2012 annual improvements cycle, the IASB issued four amendments to a total of four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment to IFRS 1 became immediately effective and therefore has to be applied to the years beginning on January 1, 2016. The accompanying "Basis for Conclusions" provides guidance for when an entity may choose to apply a rule in force or a new standard that has not yet become mandatory, but may also be applied beforehand, provided that each such rule is consistently applied in the years when the company presents its first financial statements. This amendment to IFRS 1 had no impact whatsoever on the Group, since first adopted IFRS prior to the reporting year of 2016.

NOTE 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

ACCEPTED ACCOUNTING AND FINANCIAL REPORTING STANDARDS IN COLOMBIA WHICH HAVE BEEN ISSUED BUT NOT YET IN FORCE

Section 3 of Article 2.1.2 of Book 2, Part 1 of Decree 2420 issued in 2015 and subsequently amended by Decrees 2496 of 2015 and 2131 of 2016 as well as Article 1 of Decree 2131 of 2016 include the standards that have been issued by the IASB and adopted In Colombia, but which are due to come into full force and effect after 2016.

New Accepted Accounting and Financial Reporting Standards in Colombia to be applied as of January 01, 2017 except for IFRS 9 and 15 applicable as of January 1, 2018

IFRS 9 - FINANCIAL INSTRUMENTS CLASSIFICATION AND MEASUREMENT

In July 2014, the IASB published the final version of IFRS 9 - Financial Instruments which was a compilation of all phases of its draft IFRS 9 project and replaces IAS 39 Financial Instruments: measurement and classification as well as all previous versions of IFRS 9. This new standard introduces new requirements for the classification, measurement and impairment of financial instruments as well as hedge accounting. IFRS 9 is applicable for the financial years beginning on or after 1 January 2018. Retroactive application is required, without the need to modify the comparative information already provided. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is allowed if the initial date of application is earlier than 1 February 2015.

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

IFRS 14 is an optional standard that allows an entity, when adopting IFRSs for the first time and whose activities are subject to rate regulations, to continue to apply most of its prior accounting policies to its regulatory deferred accounts. Entities adopting IFRS 14 must present their regulatory deferred accounts as separate items on their statements of financial position and record the movements in said accounts as separate items on both their income and comprehensive income statement. This standard requires disclosures regarding the nature and risks associated with the entity's regulated rates, as well as the impacts of regulated rates on their financial statements. IFRS 14 is applicable to the fiscal years beginning on or after 1 January 2017.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2010-2012

These improvements became effective as of July 01, 2014 and included the following amendments:

IFRS 15 - REVENUE FROM CONTRACTS WITH CLIENTS

IFRS 15 was published in May 2014 and established a new five-step approach for revenues obtained from contracts with clients. According to IFRS 15, revenue is recognized in an amount that reflects the consideration that an entity expects to be entitled to receive in exchange for transferring goods or services to a client. The principles underlying IFRS 15 represent a more structured approach for measuring and recording revenue.

This new standard is applicable to all entities and shall overturn all previous standards used to recognize said revenue. A full or partial retroactive application is required for periods beginning on January 1, 2018, but earlier application is permitted.

AMENDMENTS TO IFRS 11: ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

Amendments to IFRS 11 require a joint operator to account for the acquisition of a stake in a joint venture, which constitutes a business, applying the relevant principles of IFRS 3 for the accounting of business combinations. These amendments also provide guidance for stakes previously held in the joint venture which are not re-measured when acquiring additional stakes as long as joint control is maintained. Furthermore, an exception was introduced to the scope of these amendments so that they do not apply when the parties that share joint control, come under the common control of an ultimate controlling company.
These amendments apply to initial acquisitions of stakes in a joint operation as well as to acquisitions of any additional stakes in the same joint operation. These are to be applied prospectively for the fiscal years beginning on January 1, 2017, although earlier application is permitted.

AMENDMENTS TO IAS 16 AND IAS 38: CLARIFICATION OF ACCEPTABLE METHODS OF AMORTIZATION

These amendments provide clarification for when revenues reflect an expected pattern of future economic benefits to be obtained from a business (of which the asset forms a part), rather than the economic benefits that are consumed by the use of the asset. Therefore, tangible fixed assets cannot be amortized using a revenue-based amortization method and can only be used in very limited circumstances to amortize intangible assets. These amendments are to be applied prospectively for periods beginning on or after 1 January 2017, although their earlier application is permitted.

AMENDMENTS TO IAS 16 AND IAS 41: BIOLOGICAL ASSETS RELATING TO AGRICULTURAL BEARER PLANTS

These amendments change the way of recording biological assets which are agricultural bearer plants. According to these new changes, the biological assets used to grow produce over several years no longer fall under the scope of IAS 41 and therefore must be recorded in accordance with IAS 16. After their initial recognition, these biological assets are measured at their amortized cost until maturity whereupon the cost or revaluation model is used. IAS 41 continues to be applied to the produce thus obtained which is to be measured at fair value less their selling costs. On the other hand, IAS 20 shall apply when receiving subsidies related to produce-bearing plants. These amendments must be applied retroactively for the years beginning on January 1, 2017, although their early application is permitted.

AMENDMENTS TO IAS 27: EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS

An amendment made to IAS 27 - Equity Method in Separate Financial Statements allows entities to use the equity method to account for their subsidiaries, joint ventures and associates in its separate financial statements. Entities that have already implemented IFRS and choose to change to the equity method, must apply this change retrospectively. Entities that apply IFRS for the first time and choose to use the equity method in their separate financial statements shall have to apply the aforementioned method as of the date they transitioned to IFRS. These changes must be applied for the years beginning on January 1, 2017, although their early application is allowed.

AMENDMENTS TO IFRS 10 AND IAS 28: SALE OR CONTRIBUTIONS OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATES OR JOINT VENTURES

These amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is either sold or contributed to an associate or joint venture. Said amendments stipulate that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture shall be recognized in its entirety. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, it is recognized only up to the interests of unrelated investors in the associate or joint venture. These amendments should be applied prospectively and are effective for periods beginning on or after January 1, 2017, with earlier adoption allowed.

ANNUAL IMPROVEMENTS CYCLE 2012-2014

These improvements are effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed. These include:

IFRS 5 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets (or disposal groups) are generally arranged either through being sold or distributed to their owners. This amendment clarifies that the change from one disposal method to another would not be considered a new disposal plan, but rather a continuation of the original plan. Therefore there is no interruption in the application of the requirements stipulated in IFRS 5. This amendment shall be applied prospectively.

IFRS 7 - Financial instruments Disclosures

(i) Servicing costs

This amendment clarifies that a servicing contract that includes a fee may constitute an ongoing involvement in a financial asset. An entity should evaluate the nature of the fee and the corresponding contract against the continuous involvement guide in IFRS 7 in order to assess whether such disclosures are required. Evaluations of which servicing contracts constitute a continuous involvement must be carried out retrospectively. However, the disclosure requirement would not have to be provided for a period beginning before the annual period in which the entity applies the amendments for the first time.

(ii) Applicability of Amendments to IFRS 7 to the Condensed Interim Financial Statements
This amendment clarifies that clearing disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a material update of the information reported in the most recent annual report. This amendment shall be applied retrospectively.

IIAS 19 EMPLOYEE BENEFITS

This amendment provides clarification for the depth of the market for high-quality corporate bonds to be assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high-quality corporate bonds in the currency in question, government bond rates should be used. This amendment shall be applied prospectively.

IAS 34 INTERIM FINANCIAL INFORMATION

These amendments provide clarification as to the required interim disclosures being included either in the interim financial statements or incorporated by cross-referencing between different interim financial statements and wherever interim financial information is included (e.g. in management or risk reports). The other information contained in the interim financial information should be made available to users under the same conditions as the interim financial statements and at the same time. This amendment shall be applied retrospectively.

AMENDMENTS TO IAS 1 - DISCLOSURE INITIATIVE

Amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, the existing requirements of IAS 1. These amendments provide clarification as to:

- The materiality requirements stipulated in IAS 1.
- That specific line items in the statements of income and other comprehensive income as well in the statement of financial position can be disaggregated.
- That entities are granted flexibility with regard to the order in which the notes to the financial statements are presented .
- That the entity´s share of the other comprehensive income (OCI) of associates and joint ventures that are accounted for using the equity method should be presented together in a single line and classified among those items to be reclassified or not to the income statement.

Furthermore, these amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position as well as the statements of income and other comprehensive income. These amendments became effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed.

AMENDMENTS TO IFRS 10, 12 AND IAS 28 - INVESTMENT ENTITIES: APPLICATION OF THE CONSOLIDATION EXCEPTION

These amendments address issues that have arisen with the application of the consolidation exception for investment entities under IFRS 10.

Amendments to IFRS 10 clarify that the exception for presenting the consolidated financial statements applies to the parent entity which in turn is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

On the other hand, amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity per se and which provides support services to the investment entity in question should be consolidated. All the other subsidiaries of an investment entity shall be measured at fair value. Amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments should be applied retrospectively and are effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed.

NEW ACCEPTED ACCOUNTING AND FINANCIAL REPORTING STANDARDS (NCIF) IN COLOMBIA APPLICABLE AS OF JANUARY 1, 2018

Article 1 of Decree 2131 of 2015 added Annex 1.2 to Decree 2420 of 2015, subsequently amended by Decree 2496 of 2015 adding amendments to IAS 7, IAS 12 and clarifications to IFRS 15

AMENDMENTS TO IAS 7

Disclosure Initiative: amendments to IAS 7 form part of the IASB disclosure initiative and require companies to disclose information that allows users of financial statements to assess changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Upon initially applying this amendment, the company would not be obliged to include comparative information from previous periods.

AMENDMENTS TO IAS 12

Recognition of Deferred Tax Assets for Unrealized Losses: these amendments clarify how to record deferred tax assets for debt instruments measured at fair value.

AMENDMENTS TO IFRS 15:

Clarifications to IFRS 15 Revenues from Contracts with Clients: this amendment clarifies certain issues relating to client contracts, in order to provide a more uniform understanding of this standard by the various interested parties.

IFRS issued by the IASB but not adopted in Colombia

The IASB issued on January 13, 2016 a new standard IFRS 16 - Leases, which provides a comprehensive model for identifying lease agreements and how they are to be treated in the financial statements of both lessees and lessors. This replaces IAS 17 - Leases and their interpretive guidance.

Explanatory note:

The following standards which, although have not been amended, do not apply in the case of Grupo Sura since the Company does not carry out this type of operation:

» IFRS 14 Regulatory Deferral Accounts

» IFRS 11: Accounting for acquisitions of interests in joint operations

» IAS 16 and IAS 41: Biological Assets Relating to Agricultural Bearer Plants

» Amendments to IFRS 10 and IAS 28: Sale or Contributions of Assets between the Investor and its Associates or Joint Ventures

v IFRS 5: Non-current Assets Held for Sale and Discontinued Operations

NOTE 7. CASH

Current cash and cash equivalents are broken down as follows:

	2016	2015
Local currency	**269.900**	**214.822**
Cash	1	1
Checking accounts	335	240
Savings accounts	241.452	190.931
Fiduciary rights	28.112	23.650
Foreign currency	**45.355**	**6.406**
Cash	6	8
Checking accounts	45.349	6.398
Short-term investments	136.188	-
CDs	96.047	-
Repo rights on investments	40.141	-
Total cash and cash equivalents	**451.443**	**221.228**

Bank accounts bear interest at variable rates based on daily bank deposit rates. Short-term loans are issued for periods of between one day and three months depending on Grupo Sura ´s immediate cash needs, all of which bear interest at the applicable short-term lending rates. There are no restrictions on cash and cash equivalents.

NOTE 8. FINANCIAL INSTRUMENTS

A continuación se describen las metodologías y supuestos utilizados para determinar el valor de los instrumentos financieros que no están registrados a su valor razonable en los estados financieros (es decir, a costo amortizado) y los préstamos y cuentas por cobrar.

ACTIVOS CUYO VALOR RAZONABLE SE APROXIMA AL VALOR EN LIBROS

The methodologies and assumptions used to determine the value of financial instruments not recorded at fair value in the financial statements (i.e., items at amortized cost as well as loans and accounts receivable) are as follows.

ASSETS WHOSE FAIR VALUE APPROXIMATES THEIR CARRYING VALUE.

In the case of financial assets with short-term maturities (less than three months), such as demand deposits and savings accounts with no specific maturity, their carrying amounts approximate their fair value. In the case of other fixed-income instruments, adjustments are made to reflect the change in the required credit spread, since the instrument was initially recognized.

As for short-term receivables, which are measured at amortized cost, their carrying values correspond to a reasonable approximation of their fair value.

FINANCIAL INSTRUMENTS AT AN AGREED RATE

The fair value of fixed income assets measured at amortized cost is calculated by comparing the market interest rates when they were first recognized with current market rates for similar financial instruments. The estimated fair value of term deposits is based on discounted cash flows using current money market interest rates as well as those applicable to debt securities carrying similar risks and maturities

FAIR VALUE HIERARCHY

Financial assets and liabilities carried at fair value by Grupo Sura are classified based on a fair value hierarchy, as shown below

LEVEL 1 - PRICES LISTED ON ACTIVE MARKETS

Inputs for Level 1 consist of unadjusted prices listed on active markets for identical assets and liabilities. An active market is one in which transactions for the asset or liability in question occur frequently providing sufficient volume on which to provide pricing information

LEVEL 2 - MODELING WITH INPUT DATA FROM OBSERVABLE MARKETS

Level 2 inputs are those other than quoted prices belonging to Level 1 that are observable for the asset or liability in question, either directly or indirectly. Inputs for Level 2 include:

» Listed prices for similar assets or liabilities on active markets;

» Listed prices for identical or similar assets or liabilities on inactive markets; and

» Input data other than listed prices, i.e. interest or exchange rates

LEVEL 3 - MODELING WITH UNOBSERVABLE INPUTS

Inputs for Level 3 are unobservable for the asset and liability in question. These can be used to determine fair value when observable inputs are not available. These valuations reflect assumptions that the business unit makes based on other market participants i.e. earnings on non-listed shares.

FINANCIAL LIABILITIES WHOSE FAIR VALUE APPROXIMATES THEIR CARRYING VALUE.

In the case of short-term obligations their carrying amounts approximate their fair value.

Long term accounts payable normally become due and payable between one and two years. This means that their respective carrying values are reasonable approximations of their fair values.

With regard to loans bearing variable interest rates, their carrying amounts correspond to approximations of their fair values. As for loans bearing fixed interest rates, the market interest rates for similar loans do not differ to a significant degree, therefore, their carrying amounts correspond to reasonable approximations of their fair value.

The following is a breakdown of the financial assets and liabilities held by Grupo Sura at year-end 2016 and 2015.

8.1. FINANCIAL ASSETS

The balance of the financial assets held by Grupo Sura is as follows:

Year-end 2016

CURRENT		FINANCIAL ASSETS AT FAIR VALUE		FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
	Note	Results	Equity			
Cash and cash equivalents	7	-	-	-	451.443	451.443
Accounts receivable		-	-	767	-	767
Accounts receivable due from related parties	8.1.1	-	-	99.899	-	99.899
Other financial assets	8.1.2	38.363	-	-	-	38.363
Total non-current assets		**38.363**	**-**	**100.666**	**451.443**	**590.472**

NON-CURRENT		FINANCIAL ASSETS AT FAIR VALUE		FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
		Results	Equity			
Investments	8.1.3	-	23.091	-	-	23.091
Other financial assets	8.1.2	85.163	-	-	-	85.163
Total non-current assets		85.163	23.091	-	-	108.254
Total financial assets		**123.526**	**23.091**	**100.667**	**451.443**	**698.726**

Year-end 2015

CURRENT		FINANCIAL ASSETS AT FAIR VALUE		FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
	Note	Results	Equity			
Cash and cash equivalents	7	-	-	-	221.228	221.228
Accounts receivable		-	-	176	-	176
Accounts receivable due from related parties	8.1.1	-	-	86.941	-	86.941
Total non-current assets		**-**	**-**	**87.117**	**221.228**	**308.345**

NON-CURRENT		FINANCIAL ASSETS AT FAIR VALUE		FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
		Results	Equity			
Investments	8.1.3	-	21.512	-	-	21.512
Other financial assets	8.1.2	185.302	-	-	-	185.302
Total non-current assets		**185.302**	**21.512**	**-**	**-**	**206.814**
Total financial assets		**185.302**	**21.512**	**87.117**	**221.228**	**515.159**

Impairment to financial assets

The maturities of the financial obligations held at year-end are shown as follows:

YEAR-END 2016	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Cash	451.443	-	-	-	451.443
Accounts receivable	767	-	-	-	767
Accounts receivable due from related parties	99.899	-	-	-	99.899
Investments	-	-	-	23.091	23.091
Other financial assets	38.363	37.956	46.726	481	123.526
Total	**590.472**	**37.956**	**46.726**	**23.572**	**698.726**

YEAR-END 2015	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Cash	221.228	-	-	-	221.228
Accounts receivable	176	-	-	-	176
Accounts receivable due from related parties	86.941	-	-	-	86.941
Investments	-	-	-	21.512	21.512
Other financial assets	-	107.825	18.055	59.422	185.302
Total	**308.345**	**107.825**	**18.055**	**80.934**	**515.159**

Fair value hierarchy

Financial assets are classified, within the fair value hierarchy, as follows:

	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through equity	23.091	-	23.091
Derivatives at fair value	-	123.526	123.526
Total financial assets at year-end 2016	**23.091**	**123.526**	**146.617**
	LEVEL 1	**LEVEL 2**	**TOTAL**
Financial assets at fair value through equity	21.512	-	21.512
Derivatives at fair value	-	185.302	185.302
Total financial assets at year-end 2015	**21.512**	**185.302**	**206.814**

Movements in financial assets

	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	OTHER FINANCIAL ASSETS	TOTAL
At year-end 2014	**81.154**	**48.026**	**24.868**	**10.609**	**164.657**
Additions	540.227	252.261	-	284.681	1,077,170
Financial asset valuations	-	204.293	(3.356)	-	200.937
Financial asset maturities	-	(66.774)	-	-	(66.774)
Disposals	(534.264)	(252.505)	-	(74.062)	(860.831)
At year-end 2015	**87.117**	**185.302**	**21.512**	**221.228**	**515.159**
Additions	1,567,085	-	-	964.399	2,531,484
Financial asset valuations	-	(3.466)	1.579	-	(1.887)
Financial asset maturities	-	(58.310)	-	-	(58.310)
Disposals	(1,553,536)	-	-	(734.184)	(2,287,720)
At year-end 2016	**100.667**	**123.526**	**23.091**	**451.443**	**698.726**

8.1.1 Accounts receivable due from related parties

Accounts receivable due from related parties consist of outstanding dividends receivable from associates and inter-company checking accounts between subsidiaries which are shown as follows:

	YEAR-END 2016	YEAR-END 2015
Bancolombia S.A.	52.063	52.744
Inversiones Argos S.A.	16.469	15.416
Grupo Nutresa S.A.	20.145	18.781
Total dividends receivable	**88.677**	**86.941**
Suramericana S.A.	90	-
Grupo de Inversiones Suramericana Panamá (1)	11.073	-
Grupo Sura Finance (1)	59	-
Total accounts receivable due from subsidiaries	**11.222**	**-**
Total current accounts receivable due from related parties and associates	**99.899**	**86.941**

(1) These amounts correspond to a receivable from Grupo Sura Finance and Grupo de Inversiones Suramericana Panamá for the acquisition of shares for $ 59 and $ 11.073 million, respectively.

8.1.2. Other financial assets

Investments are broken down as follows

ASSETS	YEAR-END 2016	YEAR-END 2015
Swaps(1)	13.512	75.368
Foreign exchange options	99.850	109.934
Foreign exchange forwards	10.164	-
Total assets corresponding to derivative transactions	**123.526**	**185.302**

(1) Interest rate swaps totaling COP 1,015 in 2016 and COP 5,390 in 2015 and exchange rate swaps for COP 12,497 in 2016 and COP 69,978 in 2015.

8.1.3 Investments

Financial assets at fair value through equity are broken down as follows:

	YEAR-END 2016			YEAR-END 2015		
	# Shares	% Stake	Fair Value	# Shares	% Stake	Fair Value
Fogansa S.A.	176.000	0.29	-	176.000	0.29	-
Enka S.A.	1,973,612,701	16.76	23.091	1,973,612,701	16.76	21.512
Total			**23.091**			**21.512**

8.2. FINANCIAL LIABILITIES

Current and non-current financial liabilities are broken down as follows:

Year-end 2016

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Other financial liabilities (*)	1,247,713	21.163	3.990	1,272,866
Accounts payable	36.642	-	-	36.642
Accounts payable to related parties	1,727,010	-	-	1,727,010
Total current liabilities	**3,011,365**	**21.163**	**3.990**	**3,036,518**
NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Other financial liabilities (*)	-	27.527	11.296	38.823
Issued securities	986.781	-	-	986.781
Total non-current liabilities	986.781	27.527	11.296	1,025,604
Total financial liabilities	**3,998,147**	**48.690**	**15.286**	**4,062,122**

(*) Financial liabilities, which include derivatives, leases and financial obligations are broken down in their current and non-current categories as follows:

	CURRENT	NON-CURRENT	TOTAL
Financial obligations	1,247,713	-	1,247,713
Lease rentals	3.990	11.296	15.286
Derivatives	21.163	27.527	48.690
	1,272,866	**38.823**	**1,311,689**

Year-end 2015

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	TOTAL
Other financial liabilities (derivatives) (*)	-	11.344	11.344
Accounts payable	61.532	-	61.532
Accounts payable to related parties	88.976	-	88.976
Total current liabilities	**150.508**	**11.344**	**161.852**

NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	TOTAL
Other financial liabilities (*)	715.074	-	715.074
Issued securities	1,109,673	-	1,109,673
Total non-current liabilities	**1,824,747**	**-**	**1,824,747**
Total financial liabilities	**1,975,255**	**11.344**	**1,986,599**

(*) Financial liabilities, which include derivatives, leases and financial obligations are broken down in their current and non-current categories as follows:

	CURRENT	NON-CURRENT	TOTAL
Financial obligations	-	715.074	715.074
Derivatives	11.344	-	11.344
	11.344	**715.074**	**726.418**

Movements in financial liabilities

The maturities of the financial obligations held at year-end are shown as follows:

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Lease rentals	3.990	-	11.296	15.286
Derivatives	21.163	9.681	17.846	48.690
Other accounts payable	1,763,652	-	-	1,763,652
Financial obligations	1,247,713	-	-	1,247,713
Bonds and securities	-	101.003	885.778	986.781
Total	**3,036,518**	**110.684**	**914.920**	**4,062,122**
2015	**LESS THAN 1 YEAR**	**BETWEEN 1 AND 5 YEARS**	**MORE THAN 5 YEARS**	**TOTAL**
Derivatives	11.345	-	-	11.345
Other accounts payable	150.508	-	-	150.508
Financial obligations	-	715.074		715.074
Bonds and securities		224.293	885.380	1,109,673
Total	**161.853**	**939.367**	**885.380**	**1,986,600**

Fair value hierarchy

	LEVEL 2
Derivatives	48.690
Total Financial Liabilities at Year-End 2016	**48.690**
	LEVEL 2
Derivatives	11.345
Total Financial Liabilities at Year-End 2015	**11.345**

Comparison of fair value and book value

Financial liabilities whose fair value is different from their carrying amounts are broken down as follows:

	FAIR VALUE	BOOK VALUE
Bonds and securities	827.615	777.968
	827.615	**777.968**

Movements in financial liabilities

	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	LEASE RENTALS	TOTAL
At year-end 2014	1,180,351	-	-	1,180,351
Additions	3,599,502	-	-	3,599,502
Financial liability valuations	59.523	11.588	-	71.111
Derecognitions	-	(243)	-	(243)
Payments	(736.022)	-	-	(736.022)
At year-end 2015	**4,103,354**	**11.345**	**-**	**4,114,699**
Additions	3,336,513	-	15.313	3,351,826
Financial liability valuations	(121.804)	37.346	376	(84.083)
Payments	(3,319,916)	-	(404)	(3,320,320)
At year-end 2016	**3,998,147**	**48.690**	**15.285**	**4,062,123**

8.2.1 Other financial liabilities

Corresponding to long-term financial obligations and swaps, which are shown below for the years ended December 31, 2016 and December 31 2015:

ENTITY	CURRENCY	RATE	TERM (DAYS)	2016	2015
BBVA España	USD	LIBOR + 1.25% /1.5%	1.006	300.280	313.949
Bancolombia Panamá	USD	LIBOR + 1.47%	641	246.433	258.518
Citigroup Global Market	USD	LIBOR + 0.45%	386	220.977	-
Banco Davivienda S.A.	USD	LIBOR + 1.50%	641	136.237	142.607
Banco de Bogotá	COP	CPI +2,93%	730	289.664	-
Citigroup Global Market	USD	LIBOR + 0.45%	385	54.122	-
Increase in financial obligations				**1,247,713**	**715.074**
Financial leasing arrangements	COP	7.89%	5.478	15.286	-
Subtotal - financial liabilities				**1,262,999**	**715.074**
Swaps				48.690	11.344
Total financial liabilities				**1,311,689**	**726.418**

8.2.2. Accounts payable to related parties

Corresponding to short-term dividends declared at the Annual Shareholders' Meeting held March 31, 2016 as well as accounts payable due to Subsidiaries:

	YEAR-END 2016	YEAR-END 2015
Ordinary shares	54.773	50.761
Preferred shares	12.122	11.218
Sub-total	**66.895**	**61.979**
Current accounts payable to subsidiaries (See Note 26)	1,660,115	26.997
Total accounts payable to related parties	**1,727,010**	**88.976**

8.2.3 Trade and other accounts payable

Current trade payables are shown as follows:

	2016	2015
Suppliers	643	325
Accounts payable on investment purchases	33.634	60.123
Others	**2.366**	**1.084**
Total trade payables	**36.643**	**61.532**

NOTE 9. TAXES

The following taxes are recognized on Grupo Sura ´s Statement of Financial Position:

	NOTE	YEAR-END 2016	YEAR-END 2015
Current tax assets	9.1	61.291	25.021
Deferred tax assets	9.2	47.412	41.594
Current tax liabilities	9.1	123.394	46.536
Deferred tax liabilities	9.2	113.693	124.614

9.1. CURRENT TAX

a. Income tax recognized in the Statement of Financial Position

		YEAR-END 2016	YEAR-END 2015
Assets	Withholding tax	37.396	406
	Income tax pre-payments	2.416	9.065
	Advanced payment on Industry and Commerce tax	5.261	6.355
	Withheld sales tax	52	10
	Surplus tax	16.132	9.184
	Deductible taxes	34	2
	Total other current tax assets	**61.291**	**25.021**
Liabilities	Income Tax	112.022	38.580
	Industry and Commerce tax	11.297	7.940
	Withheld sales tax	72	14
	Withheld Industry and Commerce tax	3	2
	Total current tax liabilities	**123.394**	**46.536**

b. Tax recognized in the income accounts for the period

	YEAR-END 2016	YEAR-END 2015
Current tax expense	**77.844**	**11.611**
Deferred tax expense		
Sources / reversals of temporary differences	(18.131)	100.368
Exchange rate effect	**1.825**	**-**
Income tax expense	**61.538**	**111.979**

Grupo Sura considers that the accrued tax liabilities shown are adequate for all tax years still open for review, this based on its evaluation of many factors, including interpretations of applicable tax laws and prior experience.

c. Reconciliation of effective tax rate

	YEAR-END 2016		YEAR-END 2015	
	Rate	Balance	Rate	Balance
Earnings before tax		**897.019**		**835.968**
Income tax by applying the local tax rate	40.0%	358.679	39%	326.027
Tax effect of:		-		-
Non-deductible expense	6.0%	53.906	4%	36.651
Taxable dividends	7.8%	70.247	9%	74.414
Rate change adjustments	0.2%	1.826	0%	2.764
Non-income receipts	-2.9%	(26.376)	0%	(3.127)
Tax exempt income	-26.9%	(240.965)	-27%	(223.857)
Tax-exempt dividends	-24.5%	(219.463)	-16%	(135.618)
Presumptive income effect	5.0%	44.566	4%	34.725
Others	2.1%	19.118	0%	-
Income tax	**6.9%**	**61.538**	**13.4%**	**111.979**

d. Movements in the current tax account

The following is a breakdown of the Income and Ancillary tax balance due at year-end 2016:

Income and Ancillary Tax provision at year-end 2014	**77.291**
Income and Equality Income Tax declared for 2014	(50.322)
Provision	11.611
Income tax balance at year-end 2015	**38.580**
Equality Income Tax declared for 2015	(4.402)
Provision	77.844
Income tax balance at year-end 2016	**112.022**

The Company's income tax returns for the years 2014 and 2015 shall be considered settled within a term of two years as a general rule.

The following is a breakdown of the Industry and Commerce Tax account at year-end:

Estimated balance due at year-end 2014	**8.752**
Expense incurred for the year	5.542
Tax declared for 2014	(6.354)
Closing balance of provision at year-end 2015	**7.940**
Expense incurred for the year	8.618
Tax declared for 2015	(5.260)
Closing balance of provision at year-end 2016	**11.297**

e. Reconciliation between accounting income and taxable income

The following is the reconciliation between accounting income and taxable income as estimated at year-end:

A) TAXABLE INCOME AND EARNINGS:	2016		2015	
	Income Tax	Equality Income Tax (CREE in Spanish)	Income Tax	Equality Income Tax (CREE in Spanish)
Earnings before tax	**897.019**	**897.019**	**835.967**	**835.967**
Accounting difference for tax purposes	(258.272)	(258.272)	(631.163)	(631.163)
Taxable income, before tax	**638.747**	**638.747**	**204.804**	**204.804**
Plus:	**211,781**	**211,781**	**364,788**	**364,788**
Non-deductible provisions that constitute temporary differences	8,619	8,619	5,542	5,542
Other taxable revenues	-	-	10,088	10,088
Non-deductible vehicle tax	28	28	22	22
Dividends from long-term controlling investments	-	-	207,363	207,363
Financial transaction tax	1,238	1,238	287	287
Other non-deductible expense	118,914	118,914	8,437	8,437
Losses - equity method	-	-	53,362	53,362
Miscellaneous expense	82,983	82,983	79,687	79,687
Less:	**767,335**	**767,335**	**625,788**	**625,788**
Industry and commerce tax	4,167	4,167	6,608	6,608
Profits from sales of investments	85,901	85,901	8,666	8,666
Other revenues not taken for tax purposes	86,588	86,588	52869	52869
Non-taxable dividends and participations	590,679	590,679	557,645	557,645

Taxable net income	**83,194**	**83,194**	**-56,196**	**-56,196**
Presumptive income	**194,609**	**194,609**	**29,772**	**29,772**
Income:				
Taxable net income	194,609		29,772	
Nominal tax rate: 25%	48,652		7,443	
Occasional Gains Tax	**-**		**-**	
Equality Income Tax (CREE in Spanish)				
Taxable net income	194,609		29,772	
Nominal tax rate	29,191		4,168	
Total income, occasional gains and equality income tax	**77,844**		**11,611**	

f. Tax losses

The following is a breakdown of tax losses and surplus presumptive income versus ordinary income duly adjusted for tax purposes:

TAX LOSSES	2016	2015
Sustained in		
2008	519	484
2009	364	340
2010	73.302	68.456
2011	582.730	544.201
2015	82.832	-
Total	**739.747**	**613.480**
Tax surpluses		
2011	34.183	31.923
2012	60.782	56.764
2013	56.418	52.688
2014	37	35
2015	11.921	-
Total	**163.341**	**141.409**
Total losses and surpluses	**903.089**	**754.889**

At year-end 2016, there were no recognized deferred tax assets relating to tax losses since the company does not pay tax on net income for which an asset is not recognized.

Current legislation, as applicable to the Company, provides for the following:

Surplus presumptive income versus ordinary income, duly readjusted for tax purposes, can be offset using the ordinary income obtained within a subsequent period of five years.

100% of the total amounts paid in the form of Industry and Commerce, including supplementary signage and billboard taxes, as well as land taxes may be deducted; whereas in the case of financial transaction tax only a 50% deduction is permitted.

Presumptive income is calculated based on 3% of net equity for the immediately preceding year.

The wealth tax paid by the Company in 2015 came to COP 3,786 and in 2016 the value of a wealth tax paid totaled COP 3,345

9.2. DEFERRED TAX

a. Movements in deferred tax balances

	BALANCE AT YEAR-END 2015	RECOGNIZED THROUGH PROFIT AND LOSS	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	BALANCE AT YEAR-END 2015		
				NET	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Financial instruments	(45.291)	(28.813)	-	(16.478)	32.930	(49.408)
Property and equipment	138	6.010	-	(5.872)	-	(5.872)
Employee benefits	10.752	480	434	10.706	10.706	-
ICA tax provision	3.176	1.833	-	1.343	1.343	-
Financial obligations	(4.157)	(6.591)	-	2.434	2.434	-
Tax losses / surpluses	27.528	27.528	-	-	-	-
Dividends from Subsidiaries	(75.166)	(16.753)	-	(58.413)	-	(58.413)
	(83.020)	**(16.306)**	**434**	**(66.280)**	**47.412**	**(113.693)**
	BALANCE AT YEAR-END 2014	**RECOGNIZED THROUGH PROFIT AND LOSS**	**RECOGNIZED IN OTHER COMPREHENSIVE INCOME**	**BALANCE AT YEAR-END 2015**		
				NET	**DEFERRED TAX ASSETS**	**DEFERRED TAX LIABILITIES**
Financial instruments	(17.274)	(28.017)	-	(45.291)	-	(45.291)
Property and equipment	(149)	287	-	138	138	-
Employee benefits	8.073	2.736	(57)	10.752	10.752	-
ICA tax provision	2.854	322	-	3.176	3.176	-
Financial obligations	(3.628)	(530)	-	(4.157)	-	(4.157)
Tax losses / surpluses	27.527	-	-	27.528	27.528	-
Dividends from Subsidiaries	-	(75.166)	-	(75.166)	-	(75.166)
	17.403	**(100.368)**	**(57)**	**(83.020)**	**41.594**	**(124.614)**

NOTE 10. PROPERTY AND EQUIPMENT

The year-end property and equipment account is broken down as follows:

	2016	2015
Land	2.683	2.697
Construction in progress	5.796	-
Buildings and construction work	28.862	13.538
Office equipment	2.272	585
Computer and communication equipment	476	377
Cars, pick-up trucks and 4-wheel drives	1.618	1.381
Accumulated depreciation	(1.531)	(1.127)
Total property and equipment	**40.176**	**17.451**

Movements in Grupo Sura 's Property and Equipment account are as follows:

2016	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	IT EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL PROPERTY AND EQUIPMENT
Cost at January 1, 2016	**2.696**	**13.538**	**1.381**	**585**	**377**	**-**	**18.578**
Additions	-	15.324	237	1.687	98	5.796	23.142
Disposals (-)	(13)	-	-	-	-	-	(13)
Book cost at year-end 2016	**2.683**	**28.862**	**1.618**	**2.272**	**475**	**5.796**	**41.707**
Accumulated depreciation and impairment							
Accumulated depreciation and impairment at January 01, 2016		**(405)**	**(382)**	**(159)**	**(180)**	**-**	**(1.126)**
Depreciation for the period		(135)	(112)	(82)	(78)	-	(407)
Other changes		2	-	-	-	-	2
Accumulated depreciation and impairment at year-end 2016	**-**	**(538)**	**(494)**	**(241)**	**(258)**	**-**	**(1.531)**
Property, plant and equipment at year-end 2016	**2.683**	**28.324**	**1.125**	**2.031**	**217**	**5.796**	**40.176**

2016	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	IT EQUIPMENT	TOTAL PROPERTY AND EQUIPMENT
Cost						
Cost at January 1, 2015	2.696	13.538	1.307	522	338	18.402
Additions			74	63	39	176
Book cost at year-end 2015	2.696	13.538	1.381	585	377	18.578
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 1, 2015		270	286	82	109	747
Depreciation for the period		135	96	77	72	380
Accumulated depreciation and impairment at year-end 2015		405	382	159	181	1.127
Property and equipment at year-end 2016	**2.696**	**13.133**	**999**	**426**	**196**	**17.451**

There are no restrictions relating to property and equipment.

» At the end of the period, an analysis was performed to determine whether there was any sign of impairment to the value of Grupo Sura 's property and equipment, and it was confirmed that: During the period in question, the market value of these same assets had not decreased more than expected with the passage of time or the normal use of such.

» No significant changes in their value are expected due to situations that could have an adverse effect on the Company.

» There is no evidence of these assets having become obsolete or suffering any physical deterioration.

» No changes are expected in the near future with regard to how assets are used and which could have an adverse affect on the Company.

» No evidence has been found that indicates that the economic performance of the asset is, or shall be, worse than expected going forward.

After analyzing all impairment indicators, no evidence was found of any such impairment being sustained by the Company's property, plant and equipment on the date of this report.

NOTE 11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

11.1 INVESTMENTS IN ASSOCIATES

Overview of investments in associates

Grupo Sura 's associates on the date of this report are listed as follows:

		YEAR-END 2016			YEAR-END 2015		
Associate	**Economic activity**	**% stake**	**% voting rights**	**# shares**	**% stake**	**% voting rights**	**# shares**
Bancolombia S.A.	Universal banking	24.38%	46.01%	234,486,286	26.43%	46.00%	254,185,167
Grupo Argos S.A.	Cement, energy, real estate and ports	26.78%	35.56%	229,534,810	28.11%	35.65%	230,089,478
Grupo Nutresa S.A.	Processed food	35.17%	35.17%	161,807,155	35.34%	35.34%	162,608,498

Investments held in associates

The following is a breakdown of the attributed investment costs at year-end 2016 and 2015:

ASSOCIATE	YEAR-END 2016	YEAR-END 2015
Bancolombia S.A.	5,592,906	6,069,661
Grupo Argos S.A.	4,515,121	4,524,545
Grupo Nutresa S.A.	4,287,391	4,305,353
Total	**14,395,418**	**14,899,559**

Dividends received

Dividend income from the following issuers is broken down as follows: (for further information please refer to Note 18):

	YEAR-END 2016	YEAR-END 2015
Bancolombia	214.286	211.049
Grupo Argos	65.876	61.634
Grupo Nutresa	80.580	75.056
Total	**360.742**	**347.739**

Financial information regarding Grupo Sura ´s associates

The following table shows a breakdown of the assets, liabilities, shareholder´s equity and income for each of the associates included in the Company's consolidated financial statements at year-end 2016 and 2015:

YEAR-END 2016	COUNTRY	CURRENT ASSETS	NON-CURRENT ASSETS:	CURRENT LIABILITIES	NON- CURRENT LIABILITIES	EQUITY	REVENUES	NET INCOME	OTHER COMPREHENSIVE INCOME	COMPREHENSIVE INCOME
Bancolombia S.A.	Colombia	196,793,694	-	174,316,713	-	22,476,981	11,208,757	2,954,947	(136,965)	2,817,982
Grupo Argos S.A.	Colombia	6,311,642	38,644,950	7,827,461	13,827,517	23,841,614	14,552,884	1,132,002	(104,865)	1,027,136
Grupo Nutresa S.A.	Colombia	2,559,775	11,139,779	2,113,963	3,200,631	8,384,960	8,676,640	399,691	177,017	576,708
YEAR-END 2016	COUNTRY	CURRENT ASSETS	NON-CURRENT ASSETS:	CURRENT LIABILITIES	NON- CURRENT LIABILITIES	EQUITY	REVENUES	NET INCOME	OTHER COMPREHENSIVE INCOME	COMPREHENSIVE INCOME
Bancolombia S.A.	Colombia	192,972,867	-	172,564,948	-	20,407,919	9,133,922	2,608,898	1,477,473	4,086,371
Grupo Argos S.A.	Colombia	5,667,971	36,107,042	6,989,265	11,895,949	22,889,799	12,579,678	643,155	195,087	838,242
Grupo Nutresa S.A.	Colombia	2,542,873	10,635,179	2,249,102	2,973,988	7,954,962	7,945,417	430,819	(230,961)	199,858

Grupo Sura ´s associates are listed with the Colombian Stock Exchange and their shares are highly liquid. The corresponding stock prices at year-end 2016 and 2015 are shown as follows:

ASSOCIATE	YEAR-END 2016	YEAR-END 2015
Bancolombia S.A.	5,913,744	5,332,805
Inversiones Argos S.A.	4,425,431	3,727,450
Grupo Nutresa S.A.	4,028,998	3,678,204
Total	**14,395,418**	**14,899,559**

Movements with investments in associates

	BANCOLOMBIA S.A.	GRUPO ARGOS S.A.	GRUPO NUTRESA S.A.	TOTAL
At year-end 2014	**6,066,851**	**4,514,005**	**4,287,391**	**14,868,247**
Additions	71.563	10.540	17.962	100.065
Derecognitions	(68.753)	-	-	(68.753)
At year-end 2015	**6,069,661**	**4,524,545**	**4,305,353**	**14,899,559**
Additions	234	-	-	234
Derecognitions	(476.989)	(9.424)	(17.962)	(504.375)
for 2016)	**5,592,906**	**4,515,121**	**4,287,391**	**14,395,418**

Restrictions

Grupo Sura has no restrictions on its investments in associates, and impairment analyzes were performed without identifying any issues warranting adjustments to such.

11.2. INVESTMENTS IN SUBSIDIARIES

Overview of Investments in Subsidiaries

The following table shows the subsidiaries over which Grupo Sura held direct control at year-end 2016 and 2015:

			% STAKE		
Company	**Country**	**Economic activity**	**Year-end 2016**	**Year-end 2015**	**Date of Incorporation**
Sura Asset Management S.A.	Colombia	Investing	78.71%	71.40%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investments	100%	100%	11/07/2012
ARUS S.A.	Colombia	Technology	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas	Colombia	Investments	100%	100%	30/08/2007
Grupo de Inversiones Suramericana Panamá S.A.	Panama	Investments	100%	100%	29/04/1998
Grupo Sura Finance S.A.	Cayman Islands	Any lawful activity in the Cayman Islands	100%	100%	18/03/2011
Suramericana S.A.	Colombia	Investments	81.13%	81.13%	25/05/1999

Investments held in associates

The following is a breakdown of Grupo Sura´s investments in its Subsidiaries, as posted via the equity method at year-end 2016 and 2015:

COMPANY	YEAR-END 2016	YEAR-END 2015
Sura Asset Management S.A.	7,422,995	6,106,708
ARUS Holding S.A.S.	57.412	52.192
ARUS S.A.	3.169	3.000
Enlace Operativo S.A.	691	489
Inversiones y Construcciones Estratégicas S.A.S.	136.007	123.488
Suramericana S.A.	3,270,962	2,159,335
Total	**10,891,236**	**8,445,212**

Subsidiary related and associated parties

The assets, liabilities, shareholders´ equity and income for each of the subsidiaries included in the financial statements at year-end 2016 and 2015 are shown as follows:

YEAR-END 2016	ASSETS	LIABILI-TIES	EQUITY	NET INCO-ME	OTHER COMPRE-HENSIVE INCOME
Sura Asset Management S.A.	26,809,228	18,311,286	8,497,942	593.436	(407.463)
Arus Holding S.A.S.	59.606	8	59.597	5.277	(0)
ARUS S.A.	73.263	47.436	25.827	3.818	-
Enlace Operativo S.A.	16.656	4.612	12.044	2.861	-
Inversiones y construcciones Estratégicas	140.480	4.473	136.007	12.994	(655)
Grupo de Inversiones Suramericana Panamá S.A.	649.743	890.453	(240.710)	(13.421)	2.827
Grupo SURA Finance S.A.	2,516,711	2,542,259	(25.548)	(5.411)	1.092
Suramericana S.A.(*)	22,821,925	18,777,702	4,044,224	399.694	(2.923)

*Figures taken from the Consolidated Financial Statements

YEAR-END 2015	ASSETS	LIABILI-TIES	EQUITY	NET INCO-ME	OTHER COMPRE-HENSIVE INCOME
Sura Asset Management S.A.(*)	24,753,114	15,698,318	9,054,796	487.021	606.193
Arus Holding S.A.S.	54.192	13	54.178	7.381	-
ARUS S.A.	74.529	51.804	22.725	4.244	-
Enlace Operativo S.A.	10.787	2.261	8.527	4.821	-
Inversiones y Construcciones Estratégicas	135.113	11.625	123.487	23.425	(670)
Grupo de Inversiones Suramericana Panamá S.A.	696.152	922.919	(226.768)	(47.422)	(170.117)
Grupo Sura Finance S.A.	922.924	944.153	(21.229)	(843)	(4.995)
Suramericana S.A.(*)	13,207,614	10,542,833	2,664,781	342.808	92.694

* Figures taken from the Consolidated Financial Statements

Equity method applied to subsidiaries

The following is a breakdown of the profit or loss obtained from subsidiaries via the equity method at year-end 2016 and 2015.

SUBSIDIARY	YEAR-END 2016	YEAR-END 2015
SURA Asset Management S.A.	424.882	313.102
Arus Holding S.A.S.	5.084	7.111
ARUS S.A.	207	230
Enlace Operativo S.A.	164	277
Inversiones y construcciones Estratégicas	12.994	23.423
Grupo de Inversiones Suramericana Panamá S.A.	(13.421)	(47.422)
Grupo SURA Finance S.A.	(5.411)	(843)
Suramericana S.A.	324.268	278.115
Total	**748.767**	**573.993**

Movement with investments in subsidiaries

The movement of investments held in subsidiaries is broken down as follows:

	ASSETS	LIABILITIES	INCOME STATEMENT	OTHER COMPREHENSIVE INCOME
Opening balance at January 1, 2015	**6,951,164**	**(126.877)**	**-**	**732.420**
Purchases (1)	794.160	98.411	-	-
Reimbursed premiums	(207.984)	(3.015)	-	-
Dividends	(195.320)	12.043	-	-
Change in equity	480.933	(180.294)	-	300.639
Income (expense) via equity method	622.259	(48.266)	573.993	-
Closing balance at December 31, 2015	**8,445,212**	**(247.997)**	**573.993**	**1,033,059**
Purchases (2)	2,840,205	25.167	-	-
Reimbursed premiums	(161.091)	-	-	-
Dividends	(433.271)	-	-	-
Change in equity	(567.418)	8.460	-	(558.958)
Income (expense) via equity method	767.599	(18.832)	748.767	-
Usufruct - Panama	-	(33.057)	-	-
Closing balance at December 31, 2015	**10,891,236**	**(266.259)**	**1,322,760**	**474.101**

(1) On September 18, 2015, Grupo Sura acquired 113,435 shares, corresponding to the entire stake held by JP Morgan SIG Holding in Sura Asset Management S.A.; thereby extending its entire stake to 71.4%.

(2) On March 01, 2016, Grupo Sura acquired the shares held by General Atlantic Coöperatief U.A. in Sura Asset Management S.A. for a total value of COP 1,758,647 million ; thereby extending its entire stake to 78.71%. On December 12, 2016, Grupo Sura subscribed a total of 25,428 shares in Suramericana S.A. for a value of COP 1,081,558 million and remained with the same stake as previously held in this Company.

IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES

Identifying signs of impairment is a key step in the appraisal process, as this defines the need to conduct an impairment test.

According to that set out in IAS 36- Paragraph 9: An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

According to that set out in IAS 36, "Impairment of Assets". The subsidiaries belonging to Grupo de Inversiones Suramericana, have to consider the following facts and circumstances to determine whether there are signs of impairment, or not.

1. Operating losses or negative cash flows for the current period compared to those budgeted.

2. Increased interest rates on investments and debt for the period. Information: Investments in inflation-indexed securities, agreed rates on bank loans.
3. Significant changes to the IT environment, defined as the risk relating to losses caused by technology (hardware or software) or the use of the same. Information: Important declines in production due to technology risks or substantial exposure to hackers.
4. Significant changes to the legal environment that give rise to losses in the form of sanctions, fines or lawsuits due to a failure to comply with regulations or contractual obligations.
5. Significant changes in the regulatory environment. These refer to the negative implications that changes to the local regulatory framework may have on a company. These may be: Mortality tables or taxes such as Equality Income Tax.
6. Changes in the competitive environment. Information: The amount of market share lost (based on growth and loss rates), new or more aggressive competition or cut-throat sales quotas.
7. Significant changes in the manner or to the extent that the cash generating unit (CGU) is used or is expected to be used.
8. Significant reduction in the use of installed capacity
9. Additional indebtedness.
10. Absence or significant reduction, as opposed to a mere fluctuation, in the demand or need for the services provided by the asset.

Annual assessments are performed to see whether an impairment exists with the Group´s investments to rule out the aforementioned signs of such. If this is not the case then the recoverable amount of the asset in question must be estimated.

At year-end 2016 and 2015, investments in the subsidiaries Sura Finance B.V. Grupo de Inversiones Suramericana Panamá and Grupo Sura Finance showed a shortfall in terms of their net income that shall be covered by Grupo de Inversiones Suramericana with the possible winding up of these firms. Consequently a provision was set up to cover said deficit (please refer to Note 13.1).

Restrictions

Grupo Sura enjoys unrestricted access to its assets and / or the right to settle its liabilities.

NOTE 12 EMPLOYEE BENEFITS

Grupo Sura 's employee benefits are broken down as follows:

	NOTE	YEAR-END 2016	YEAR-END 2015
Short-term benefits	12.1	4.187	4.661
Long-term benefits	12.2	3.528	3.311
Post-employment benefits	12.3	24.417	20.658
Total employee benefits		**32.132**	**28.630**

12.1. Short-term benefits

Grupo Sura 's short-term benefits include:

a) **Mandatory social security and employment benefits:** accruing on a monthly basis according to the legal regulations of each country. Payments are made in accordance with applicable legislation.

b) **Short-term Performance Incentives:** accruing on a monthly basis using estimated percentages of performance compliance. These are paid every year in March to all those employees entitled to such incentives, after being evaluated in terms of their achieving the predefined targets and to the extent that corporate objectives have been attained

c) **Other employee benefits:** including vacation and Christmas bonuses, as well as extra-legal seniority bonuses that are recognized as expense as the service or benefit is provided.

Short-term benefits are broken down as follows:

	YEAR-END 2016	YEAR-END 2015
Severance	99	102
Interest on severance payments	11	12
Vacation bonus	414	1.079
Extra-legal bonuses	279	556
Performance bonuses (*)	3.384	2.912
Total short-term benefits	**4.187**	**4.661**

(*) Corresponding to a performance bonus which is paid out between March and April of the following year.

12.2. LONG-TERM BENEFITS

The following table contains the long-term benefits provided by Grupo Sura:

» **Seniority bonus**

This benefit is paid to the employee every five years and ranges between 18 and 44 days of his or her salary or wage, this based on the number of years of service provided.

YEARS OF SERVICE	DAYS SALARY
5	18
10	29
15	34
20, 25, 30 and 35	44

» **Performance bonus**

The Group´s performance incentive system recognizes the efforts of all employees in achieving the Company's goals and continuing to provide added value. This system is governed by its own rules and regulations, as summarized below:

General terms and conditions: general policies, defined performance levels and procedures and governance

Measurement system - performance indicators: it is essential to have an appropriate framework of performance indicators, ensuring that these are clearly defined, measurable and achievable. These indicators are decided at the beginning of each year in keeping with the Company's strategic planning, along with the various activities and human skills required to achieve the Company's goals. This includes the corresponding measurement period, performance assessments and monitoring as well as any adjustments required to the indicators thus defined.

Payment system: this is conditional on fulfilling the performance indicators set and obtaining the approval of the Appointment and Remuneration Committee. The remuneration framework is defined according to each level.

The following are the long-term benefits offered by Grupo Sura:

BENEFIT	YEAR-END 2016	YEAR-END 2015
Bonus bank	3.478	3.243
Seniority bonus	50	68
Total	**3.528**	**3.311**

Movements in employee benefits are as follows:

	BONUS BANK	SENIORITY BONUS	TOTAL BENEFITS
Present value of obligations on January 1, 2015	**5.681**	**56**	**5.737**
Re-measurements	1.156	12	1.168
Financial assumptions	(27)	-	(27)
Plan-based payments	(120)	-	(120)
Upcoming payments	(3.447)	-	(3.447)
Present value of obligations at year-end 2015	**3.243**	**68**	**3.311**
Re-measurements	1.194	26	1.220
Financial assumptions	(11)	(2)	(13)
Plan-based payments	(948)	(33)	(981)
Derecognitions	-	(9)	(9)
Present value of obligations at year-end 2015	**3.478**	**50**	**3.528**

Main assumptions used for actuarial calculation purposes

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	BONUS BANK		SENIORITY BONUS	
	2016	**2015**	**2016**	**2015**
Discount rate (%)	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-Year ZCC rate in pesos
How the discount rate is decided	Infovalmer	Infovalmer	Infovalmer	Infovalmer
Annual salary increase (%)				5%
Annual inflation rate (%) long term	3%	3%	3%	3%
Survival tables	Own turnover table	Own turnover table	Own turnover table	Own turnover table

*ZCC: Zero Coupon Curve in pesos (Government Rate)

Sensitivity analysis (2016) of 1% change in the discount rate, inflation rate

	BONUS BANK - EMPLOYEE PAYROLL				SENIORITY BONUS			
	Discount rate		Inflation rate		Discount rate		Salary increase	
	Increase of +1%	Discount of -1%	Increase of +1%	Discount of -1%	Increase of +1%	Discount of -1%	Increase of +1%	Discount of -1%
Present value of the obligation	3.445	3.511	3.500	3.455	48	53	53	48

12.3. POST-EMPLOYMENT BENEFITS

Post-employment benefits are retirement bonuses that Grupo Sura pays to its pensioned executives.

Movements in this category of employee benefit are as follows:

Opening balance at January 1, 2015	18.940
Present value of obligations	662
Present cost of service	1.197
Actuarial losses from changes in financial assumptions	(141)
Present value of obligations at year-end 2015	20.658
Interest	1.506
Present cost of service	778
Benefits paid	(1.178)
Actuarial gains from changes in financial assumptions	2.653
Present value of obligations at year-end 2016	24.417

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	2016	2015
Discount rate (%)	6.94%	7.73%
Annual salary increase (%)	7.9%	6.0%
Annual inflation rate (%)	3.5%	3.5%

Colombian sovereign bond rates are used for calculating the discount on the post-employment benefit liability.

The following table shows the effect of fluctuating inflation rates on the discount rate:

Discount rate

	DISCOUNT RATE	CURRENT VALUE	% CHANGE	CURRENT COST OF SERVICES
Current study	6.94%	24.417		768
Increase in the discount rate	7.01%	24.350	-0.23	766
Decrease in the discount rate	6.87%	24.465	0.24	771

Inflation rate

	INFLATION RATE	CURRENT VALUE	% CHANGE	CURRENT COST OF SERVICES
Current study	3.50%	24.417		768
Increase in the CPI	3.54%	24.428	0.09	766
Decrease in the CPI	3.47%	24.386	0.24	771

The weighted average duration of the retirement benefit obligation is 2,024 years. The maturity profile of the defined benefits based on the corresponding payment schedule is shown as follows:

YEAR	NUMBER OF EMPLOYEES ENTITLED TO BENEFITS DURING THE YEAR	VALUE OF THE EXPECTED BENEFIT ACCRUING FOR THE YEAR (IN CURRENT COLOMBIAN PESOS)	PRESENT VALUE OF THE EXPECTED BENEFIT FOR THE YEAR
2017	1	4.569	4.273
2019	1	24.827	20.301
2035	1	13.058	3.649

12.4. EMPLOYEE BENEFIT EXPENSE

The following table shows a breakdown of the expense incurred with employee benefits for the years 2016 and 2015:

	2016	2015
Bonuses	(8.158)	(5.642)
Integrated salary	(8.116)	(7.207)
Salaries and wages	(1.425)	(1.313)
Extra-legal bonus	(836)	(1.179)
Contributions to family welfare and apprentice institutions	(636)	(561)
Pension contributions (*)	(574)	(515)
Personnel training	(325)	(739)
Health care contributions	(308)	(266)
Other employee benefits	(158)	(157)
Severance	(136)	(127)
Legal bonuses	(135)	(129)
Vacation bonus	(81)	(1.336)
Overtime	(69)	(62)
Sick and disability leave	(15)	(14)
Interest on severance payments	(14)	(13)
Indemnities	(4)	-
	(20.990)	**(19.260)**

(*) Balance corresponds to post-employment benefits that form part of defined contribution plans.

NOTE 13. PROVISIONS

13.1. PROVISIONS FOR CONTINGENCIES

Provisions for contingencies are broken down as follows:

Company	2016	2015
Grupo de Inversiones Suramericana Panamá	240.710	226.768
Gruposura Finance	25.548	21.229
Total	**266.258**	**247.997**

The balance of these provisions corresponds to recognized contingencies due to deficits posted by the subsidiaries, Grupo de Inversiones Suramericana Panama and Grupo Sura Finance. (Note 11.2).

These deficits were recognized based on the equity method applied on the wholly-owned stakes (100%) held in both companies, along with the degree of administrative dependence on these companies.

13.2. OTHER CONTINGENCIES

On November 27, 2014 the Company was notified of Resolution No. 230-005278 issued by the Colombian Superintendency of Companies, imposing a fine in the amount of COP 886 for the late filing of a Colombian Replacement Investment Abroad Declaration, this as part of the restructuring which took place in 2011. The Company decided to challenge this fine and filed the corresponding appeal, in response to which this same Superintendency issued Resolution No.0301002903 notifying that said fine was reduced to COP 93; which was promptly paid on September 29, 2015.

On March 16, 2016 the Company was notified of an official settlement issued by the Colombian Tax Authorities (DIAN), relating to the Company's income tax returns for the fiscal years of 2009, 2010, 2011, 2012 and 2013, which consisted of amending the Company´s own tax returns drawn up for said years. In response to this, the Company filed a petition for reconsideration, within the legal terms established for such, and this is currently going through the corresponding administrative channels, as stipulated by current legislation.

The Company's legal advisors, based on their analysis of the case, have concluded that the probability of obtaining an adverse ruling is remote.

NOTE 14. ISSUES OF SECURITIES

Below is a breakdown of the securities issued by Grupo Sura:

	2016	2015
Bonds outstanding (1)	777.968	900.893
Preferred shares (2)	208.813	208.780
Total securities issued	**986.781**	**1,109,673**

(1) Bonds:
On November 25, 2009, Grupo de Inversiones Suramericana S.A. placed an issue of ordinary bonds on the local markets worth COP 250,000, these divided up into three tranches all earning CPI-indexed coupon rates payable on a quarterly basis, as shown below:

i) a 10-year tranche for a total value of COP 54,500 bearing an interest rate equal to the CPI+ 4.40%;
ii) a 20-year tranche totaling COP 98,000 bearing an interest rate equal to the CPI + 5.90%; and
iii) a 40-year tranche in the amount of COP 97,500 bearing an interest rate equal to the CPI + 6.98%.

On May 7, 2014, Grupo de Inversiones Suramericana S.A. placed an issue of ordinary bonds on the local markets worth COP 650,000,000, these divided up into four tranches, the first three earning CPI-indexed coupon rates payable every quarter and the fourth earning an IBR-indexed coupon rate payable on a monthly basis.

i) a 5 year-tranche for a total value of COP 03,278 bearing an interest rate equal to the CPI+ 3.24%;
ii) a 9-year tranche totaling COP 223,361 bearing an interest rate equal to the CPI + 3.08%;
iii) a 16-year tranche in the amount of COP 100,000 bearing an interest rate equal to the CPI + 4.15%; and
iv) a 2-year tranche for a total value of COP 223,361 bearing an IBR-indexed interest rate + 1.20%. This latter tranche matures in May of 2016.

On March 31, 2016, Grupo de Inversiones Suramericana S.A placed an issue of ordinary bonds on the local markets worth COP 100.000, pertaining to Series C6 bearing an interest rate equal to the CPI 3.55% and maturing in 2020.

2 Preferred shares:
On 29 November 2011, Grupo Sura placed an issue of 106,334,963 preferred shares worth COP 32,500; as of the corresponding date of issue and for a period of 3 years thereafter, a quarterly dividend of 3% E.A.R was paid on the value of said issue. As of 2015, a quarterly dividend of 0.5% E.A.R. was paid on the issue´s total value.

Approach used to measure preferred dividends:

Projecting the value of quarterly dividends

- The dividend paid In April 2012 came to COP 325 per share, corresponding to the payment due on December 2011 (1 month at COP 81 per share) and the first quarter of 2012 (COP 244 per quarter per share).
- In 2014 a quarterly dividend was paid equal to a 3% E.A.R on the price of the issue.

- In the specific case of January 2015, the Company paid the value corresponding to two months of the quarterly dividend at a 3% E.A.R + a one-month dividend at a 0.5% E.A.R.
- Since 2015, a quarterly dividend equal to a 0.5% E.A.R. has been paid on the value of this issue.

Discounting flows

In order to discount the flows of projected quarterly dividends, Grupo Sura used the CPI AAA curve (over 41 years) obtained from PIP Latam.
Perpetuity is assumed as of year 41 at a rate of 8.97% (based on the CPI AAA curve). No growth (gradient = 0) is assumed.
The result of this exercise is the sum of the present value of cash flows (quarterly dividends paid) until the year 41 plus the value of the perpetuity.

Movements in the Company's debt securities at year-end 2016 and 2015 are broken down as follows:

	BONDS	PREFERRED SHARES	TOTAL
At year-end 2014	**898.257**	**204.568**	**1,102,825**
Additions	-	-	-
Installment payments	-	(12.960)	(12.960)
Interest	2.636	17.172	19.808
At year-end 2015	**900.893**	**208.780**	**1,109,673**
Additions	100.000	-	100.000
Installment payments	-	(17.280)	(17.279)
Interest	436	17.313	17.748
Withdrawals	(223.361)	-	(223.361)
At year-end 2016	**777.968**	**208.813**	**986.781**

NOTE 15. SHAREHOLDERS´ EQUITY

ISSUED CAPITAL

The Company's authorized capital consists of 600,000,000 shares each with a nominal value of COP 187.50 . Its subscribed and paid-capital at year-end 2016 and 2015, respectively consisted of 575,372,223 shares.

	2016	2015
Authorized share capital	600,000,000	600,000,000
Subscribed and paid-in capital		
Ordinary shares bearing a nominal value	469,037,260	469,037,260
Preferred, non-voting shares	106,334,963	106,334,963
Total shares	575,372,223	575,372,223
Subscribed and paid-in capital (nominal value)	107.882	107.882
Total share capital	**107.882**	**107.882**

RESERVES

The reserves held by Grupo Sura are shown as follows:

	2016	2015
Legal reserve	138.795	138.795
Occasional reserve	4,920,281	4,463,664
Total technical reserves	**5,059,076**	**4,602,459**

LEGAL RESERVE

According to that provided by law, the Company must set up a Legal reserve, appropriating 10% of each year's net profits until 50% of the value of the Company's subscribed capital is reached. This reserve may be reduced to less than 50% of the total value of its subscribed capital, providing it is used to wipe out losses that exceed the amount of undistributed profits. This reserve may not be used to either pay dividends or cover expense or losses incurred during the entire time the Company remains in possession of undistributed profits.

OCCASIONAL RESERVE

Should the Company's Shareholders so decide at their Annual General Meeting, this reserve may be increased beyond fifty per cent (50%) of the Company's subscribed capital, in which case this may be used for any purpose that the Company's shareholders should so determine.

NOTE 16. DIVIDENDS

DECLARED AND PAID

The following table contains the dividends paid and declared at the cut-off date of the separate financial statements.

Dividends payable at year-end 2014	**67.624**
Ordinary dividends declared	197.934
Preferred dividends declared	44.873
Subtotal - dividends declared	**242.807**
Payments on ordinary shares	(194.056)
Payments on preferred shares	(54.390)
Others	(6)
Dividends payable at year-end 2015 (See Note 8.2.2)	**61.979**
Ordinary dividends declared	213.882
Preferred dividends declared	48.489
Subtotal - dividends declared	**262.371**
Payments on ordinary shares	(209.860)
Payments on preferred shares	(47.581)
Others	(14)
Dividends payable at year-end 2016 (See Note 8.2.2)	**66.895**

Subsequent to the respective dates of the Statements of Financial Position, the Board of Directors proposed the following dividend distribution. These dividends have not been provisioned and do not affect income tax:

A 100% tax-exempt dividend for the shareholder of COP 488 per share on a total of 575,372,223 shares, which shall become immediately due and payable when declared by the General Assembly of Shareholders and shall be paid either in cash or in the form of preferred shares freed up by the Company, as the shareholder shall so choose.

In any event, said payment shall be made in a lump sum between April 21 and 30 of 2017.

NOTE 17. COMPREHENSIVE INCOME

Grupo Sura ´s other comprehensive income is broken down as follows:

	ACCUMULATED (EQUITY)			OTHER COMPREHENSIVE INCOME	
	2016	2015	2014	2016	2015
Net gains or losses resulting from changes in the fair value of equity investments (1)	(1.079)	(2.658)	697	1.579	(3.355)
Net gains or losses resulting from investments in subsidiaries, via the equity method (2)	474.102	1,033,059	732.420	(558.956)	300.639
Post employment benefits (3)	(1.143)	275	190	(1.474)	141
Related income tax (or equivalent) (3)	378	-	-	433	(56)
Total other comprehensive income	**472.258**	**1,030,676**	**733.308**	**(558.418)**	**297.369**

(1) The component corresponding to other comprehensive income from equity investments measured at fair value through profit or loss represents the cumulative value of gains or losses at fair value less the amounts transferred to the accumulated earnings when these investments are finally sold. Changes in the fair value of equity investments are not reclassified to profit or loss for the period. Including the portion corresponding to Grupo Sura with regard to the investments made in its subsidiaries.

(2) Corresponding to the variation with the equity method applied to Grupo Sura ´s subsidiaries.

(3) Re-measurements of defined benefit plans represent the accumulated value of actuarial gains and losses, excluding amounts of net interest on the net defined benefit liability. The net value of these re-measurements are transferred to accrued earnings and not reclassified to the income accounts for the period.

NOTE 18. INCOME AND EXPENSE

Income (expense) is shown as follows:

	2016	2015
Income via the equity method(Note 11.2)	748.767	573.993
Dividends (Note 11.1)	360.742	347.739
Derivative losses (1)	(125.931)	74.320
Investment income, net	(7.115)	5.407
Income from fair value of investments	65.940	7.912
Total	**1,042,403**	**1,009,371**

Financial income (expense) is broken down as follows:

	2016	2015
Exchange difference (Note 19)	143.648	(20.060)
Interest	(206.845)	(98.078)
Total	**(63.197)**	**(118.138)**

(1) Corresponding to net income on swap valuations, as shown in Note 8.1 Financial Assets - Section a and Note 8.2 Financial Liabilities.
The following is the balance of income and expense on valuations of options, forwards and swaps:

	2016	2015
Income from valuations of swaps, options and forwards	105.549	74.320
Expense incurred with valuations of swaps, options and forwards	(231.480)	-
Total	**(125.931)**	**74.320**

NOTE 19. EXCHANGE DIFFERENCES

The following is the balance of the exchange difference account:

	2016	2015
Exchange difference income	253.574	-
Exchange difference expense	(109.926)	(20.060)
Total	**143.648**	**(20.060)**

The following is the balance of the exchange difference account:

	2016	2015
Cash	(16.330)	(9.791)
Certificates of Deposit	(11.561)	-
Deposits on share subscriptions	(642)	19.230
Accounts receivable	(4.217)	346
Financial liabilities and other obligations	176.439	(29.847)
Suppliers	(41)	2
	143.648	**(20.060)**

The increase in exchange differences compared to the previous year is due to the following:

» Dollar-denominated Certificates of Deposit that entailed an exchange difference of COP (11,561).

» A loan granted by Grupo Sura Finance on February 29, 2016, which included an exchange difference of COP 140,570 on a loan of USD 540 million.

» Loans with other financial entities with a total exchange difference of COP 35,869 on loans worth USD 317 million.

NOTE 20. ADMINISTRATIVE EXPENSE

The following table shows a breakdown of the Administrative Expense account:

	2016	2015
Others	16.202	1.598
Industry and Commerce tax	8.619	5.542
Transport	4.881	2.818
Wealth tax	3.345	4.563
Advertising and publicity	2.421	2.633
Banking services	1.861	810
Civil Liability	1.146	1.204
Membership and maintenance fees	1.102	2.161
Traveling expense	916	687
Representation expense	768	1.038
Sanctions and fines*	2	6.768
Total	**41.263**	**29.822**

* Corresponding to corrections made to the tax returns for the years 2009, 2010 and 2011 at the request of the Colombian Tax Authorities, see Note 13.2.

NOTE 21. FEE EXPENSE

Fee expense is shown below:

	2016	2015
Consultancy and advisory services	17.995	3.431
Board of Directors	809	666
Statutory Auditor and external auditing staff	463	394
Legal advisors	367	1.518
Total	**19.634**	**6.009**

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NOTE 22. INTEREST

The following table contains the movements recorded in the DIL account:

	2016	2015
Issued securities	112.981	92.887
Financial liabilities	93.371	4.613
Fiduciary rights	493	578
	206.845	**98.078**

The liabilities bearing this interest are recognized at amortized cost See Note 8.2 Financial Liabilities

NOTE 23. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income for the period, as attributable to the shareholders, by the weighted average number of shares outstanding for the year.

	2016	2015
Earnings for the period	835.481	723.988
Outstanding shares	469,037,260	469,037,260
Earnings per share (in Colombian pesos)	**1.781**	**1.544**

NOTE 24. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

Grupo Sura is exposed to three types of risk, namely market, credit and liquidity.

Grupo Sura 's risk management function handles both its own inherent risk, such as those relating to its business model and strategy, as well as the risks to its investments. Since the latter are handled by each business unit, being in mind their degree of experience and expertise in this respect, Grupo Sura focuses on developing appropriate means of liaisoning with its subsidiaries, in terms of monitoring their risk profiles and the manner in which they handle their exposure.

RISK MANAGEMENT SYSTEM - GOVERNANCE FRAMEWORK

Grupo SURA considers risk management to be a dynamic and interactive process, which forms an essential part of its strategy while providing support to its decision-making process. Understanding risks as opportunities, setting up new businesses, exploring new geographies, enhancing human talent, among other factors, all form an essential part of the Company's risk management function.

The Company's risk management function is governed by the SURA Business Group´s Risk Management Policy Framework as well as its Internal Risk Management Manual, which stipulates the responsibilities of the Board of Directors, the Risk Management Committee and Senior Management with regard to the Risk Management System and dictates the Company's scope of action in this respect.
The main risks addressed by the Company's risk management function, fall into the following three categories:

24.1. FINANCIAL RISK MANAGEMENT

The region´s financial markets and economies all have a consequent effect on the Company´s results, its capital structure and, generally speaking, the performance of its portfolio investments. This is why the Company monitors its exposure to credit, market and liquidity risk.

In 2016, the Company's performance was affected by a slower rate of growth in Latin America. Factors such as the weaker-than-expected recovery in the United States and a stagnant global growth, weak trade, persistently low commodity prices throughout the year, rising fiscal risks and greater volatility prevailing on the financial markets, due to the recent presidential elections in the United States, affected the short-term economic prospects for the region.

In spite of the general slowdown with economic growth, in most cases, inflation remained above that targeted by the different Central Banks. This phenomenon was partly due to the depreciation affecting many of the region's currencies, due to recent elections and the expansive monetary policy that the United States is still upholding. Also declining prices of crude oil and other raw materials such as copper and soybeans affected foreign exchange flows in most countries.
The following shows how the main financial risks were each handled:

24.1.1. Credit Risk Management
The Group´s credit risk management function is aimed at reducing the probability of incurring losses in failing to meet the Company's financial obligations with third parties. For this purpose, the Group´s Cash Management area has issued guidelines to facilitate the analysis and monitoring of issuers and counterparties, ensuring that the Company's investments are always backed by issuers and / or management firms with adequate creditworthiness.

At year-end 2016, Grupo Sura 's short-term investments were mostly concentrated in liquid collective portfolios managed by firms offering the highest credit quality, as well as savings accounts and checking accounts.

In view of the credit risk inherent to derivatives, the Company chose local and international banks with adequate credit ratings as counterparties.
For a more detailed breakdown of the Company's financial assets, see Note 8.1. Financial assets

Other non-material assets for the Company are employee loans and accounts receivable as well as other accounts bearing a low credit risk.

Impairment of assets and accounts receivable
Grupo Sura periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate or joint venture. A breakdown of the accounting policies applied, including impairment measurement can be found in Note 3.7.

24.1.2. Market Risk Management
This type of risk management focuses on how fluctuations in market prices affect the Company's revenues or the value of its investments.

Grupo Sura´s exposure to market risk consists of the following factors and activities:

- Cash Management through Company's exposure to collective portfolios and issuers of fixed income instruments; these activities do not represent significant market risk due to their nature as low volatility assets.

- Financial liabilities denominated in foreign currency and those tied to a variable rate, which result in an exposure to the corresponding exchange and interest rate risk.

Grupo Sura analyzes the impact that variables such as interest and exchange rates have on its results, this for the purpose of assessing the convenience of hedging strategies in order to mitigate the corresponding levels of volatility.

In the specific case of financial liabilities acquired in dollars and tied to the LIBOR rate, the Company upholds a hedging strategy with the aim of reducing possible impacts caused by increases in their interest rates in the United States and the possible risks of the Colombian peso depreciating further against the dollar.

For a more detailed breakdown of the Company's financial debt and derivatives, please refer to Note 8.1 Financial Assets and Note 8.2 Financial Liabilities.

Sensitivity Analysis

The following sensitivity analysis measures the impact on the Company´s pretax earnings caused by the exchange rate exposure of dollar-denominated loans and derivatives.

These sensitivity analyses were drawn up on the basis of simulated variations of +/- 10% with the dollar exchange rate, compared to the year-end rate for 2016, and represent the amounts in which the pre-tax earnings would vary, should these occur.

EXCHANGE RATE COP 3000.71 PER US DOLLAR	IMPACT ON EARNINGS BEFORE TAXES VERSUS A + 10% CHANGE IN THE EXCHANGE RATE	IMPACT ON EARNINGS BEFORE TAXES VERSUS A -10% CHANGE IN THE EXCHANGE RATE
Financial liabilities	(258.505)	258.505
Derivatives	203.863	(197.818)
Cash	14.137	(14.137)
Net	**(40.505)**	**46.549**

* In millions of pesos at year-end 2016. The corresponding impact was analyzed based on pretax earnings.

24.1.3. Liquidity Risk Management

Liquidity risk refers to the Company´s ability to produce sufficient funds to meet its obligations and run its business.

Grupo Sura ´s efforts in managing this risk are in keeping with its short and long term liquidity management strategy based in turn on the policies and guidelines issued by the Board of Directors and Senior Management addressing cyclical and structural factors so as to ensure compliance with its obligations under the initially agreed terms and conditions without incurring in any extra expense. Follow-ups are also carried out on short-term cash flows in order to cover short-term receivables and payables, and mid-term cash flow projections are conducted to determine the Company´s liquidity position and anticipate the measures required for their proper management.

Also, and in order to address certain specific situations, the Company maintains at its disposal lines of credit from various financial institutions, as well as short-term, highly liquid investments that can be readily sold off, as well as other sources of additional liquidity.

In 2016, Grupo SURA carried out important transactions that required an active level of liquidity management within the Company. These included an additional stake in SURA Asset Management in the amount of USD 538 million as well as additional capitalization for Suramericana in the amount of COP 1,081,558, for the purpose of financing the acquisition of RSA.

These transactions required the company to acquire extra debt, such as the placing an issue of ordinary bonds on the Colombian bond market due in 2020 for a total of COP 100,000 as well as another issue of ordinary bonds through its subsidiary Grupo SURA Finance, worth USD 550 million and for a term of 10 years.

Furthermore, in 2016 a payment of ordinary bonds upon these reaching maturity was also carried out in the amount of COP 223,361. The funds required for this payment were also covered by the previous issues placed and other banking operations.

The Company also holds investments in assets for the purpose of managing liquidity. These investments are shown below:

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financial assets held for managing liquidity risk	540.120	-	23.091	563.211
2015	**LESS THAN 1 YEAR**	**BETWEEN 1 AND 5 YEARS**	**MORE THAN 5 YEARS**	**TOTAL**
Financial assets held for managing liquidity risk	303.912	-	21.512	325.424

For a more detailed breakdown, please refer to Note 8.1 Financial Assets.

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Likewise, the following are the maturities of the Company's financial obligations:

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Lease rentals	3.990	-	11.295	15.285
Derivatives	21.163	27.527	-	48.690
Other accounts payable	1,763,653	-	-	1,763,653
Financial obligations	1,247,713	-	-	1,247,713
Bonds and securities	-	101.003	885.778	986.781
Total	**3,036,520**	**128.530**	**897.073**	**4,062,123**
2015	**LESS THAN 1 YEAR**	**BETWEEN 1 AND 5 YEARS**	**MORE THAN 5 YEARS**	**TOTAL**
Derivatives	11.345	-	-	11.345
Other accounts payable	150.508	-	-	150.508
Financial obligations	-	715.074		715.074
Bonds and securities		224.293	885.380	1,109,673
Total	**161.853**	**939.366**	**885.380**	**1,986,599**

For a more detailed breakdown, please refer to Note 8.2 Financial Liabilities

Operating Risk Management

This type of risk has to do with events that prevent the Company´s normal operations as relating to people, technology and processes. In Grupo SURA these risks are handled mainly by analyzing the exposure inherent to the Group´s processes and projects, for the purpose of proposing strategies in order to mitigate its impact.

This type of risk is handled from the following standpoints:

» **Business Continuity Risk:** Grupo Sura has a response plan as well as a financial and reputational crisis management function, which form an integral part of the Group´s business continuity management function.

  With regard to operating events, the Company is developing a project for implementing response plans with regard to interruptions in critical internal processes and those contracted from third parties.

» **Risk of Fraud and Corruption:** the Company has provisions and guidelines in place for managing events that could trigger such risk and consequently minimize the probability of these occurring and materializing as well their consequent impact. In 2016, existing guidelines were consolidated within in an Anti-Fraud and Anti-Corruption Policy Framework governing the entire Sura Business Group.

» **Risk of Asset Laundering and the Financing of Terrorism:** Also, the Group has a Comprehensive System for Preventing and Controlling Asset Laundering and the Financing of Terrorism (ALFT) which sets out procedures to prevent the Group from being used without its consent or knowledge, for concealing, insuring, managing and investing monies obtained from illicit activities. Such procedures include due diligence with our suppliers, investors, among other stakeholders, as well periodic monitoring and follow-ups, especially with regard to international black lists.

» **Legal Risk -Compliance:** With respect to legal risk, Grupo Sura implements external and general guidelines issued by the respective oversight authority, as well as those issued internally by its Board of Directors.

  The Company has a Compliance Department, which is primarily responsible for handling the Compliance function, thereby ensuring that commitments are met, throughout the Group.

» **Regulatory risk:** Regulatory risk management is a strategic function for Grupo SURA, considering that its main investments belong to highly regulated sectors governed by ever- changing regulatory regimes.

In 2017, the Company shall continue preparing for possible legislative changes involving a greater degree of regulation for financial conglomerates, as well as monitoring possible regulatory reforms in terms of tax, insurance, banking and pensions throughout the region.

NOTE 25. CAPITAL MANAGEMENT

Grupo Sura ´s policy is to maintain a robust capital base so as to retain the confidence of investors, creditors and the market in general, as well as to sustain future development. The Company monitors shareholders´ return on equity and the level of dividends paid out.

Senior Management tries to maintain a balance between higher returns obtained with higher levels of credit along with the advantages and assurance provided by a sound capital position. Return on equity for 2016 came to 4.04% whereas for 2015 it stood at 3.48%.

Grupo Sura monitors its capital using the adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total financial liabilities (financial liabilities and issued securities) including interest-bearing loans plus proposed non-accrued dividends less cash and cash equivalents.

In order to comply with the financial debt indicators used by the credit rating agencies to measure the degree of investment in its subsidiaries, Grupo Sura strives to maintain said ratio below 25%. Grupo Sura 's adjusted net debt to equity ratio at year-end was as follows:

	2016	2015
Total financial assets	2,298,470	1,836,091
Cash and cash equivalents	(451.443)	(221.228)
Net debt	**1,847,027**	**1,614,863**
Total shareholders´ equity	21,536,905	21,509,934
Adjusted net debt to equity ratio	8,576%	7,508%

NOTE 26. RELATED PARTY DISCLOSURES

Grupo Sura 's related parties consist of its subsidiaries, key management personnel and entities over which key management personnel may exercise control as well as employee post-employment benefits .

The following is a breakdown of Grupo Sura 's related parties at year-end 2016 and 2015:

a) Companies under the direct or indirect control of Grupo Sura are listed in Note 11.2 Investments in Subsidiaries.

b) Companies in which Grupo Sura holds a direct and indirect stake through its subsidiaries:

COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Grupo de Inversiones Suramericana	Holding Company	Parent Company Statements			
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	78.71%	71.40%	Colombia	Colombian peso
Sura Investment Management Colombia S.A.S	Holding Company	78.71%	71.40%	Colombia	Colombian peso
Sura Asset Management España, S.L.	Holding Company	78.71%	71.40%	Spain	Euros
Grupo de Inversiones Suramericana Holanda B.V.	Holding Company	78.71%	71.40%	Holland	Euros
Grupo Sura Chile Holdings I B.V.	Holding Company	78.71%	71.40%	Holland	Euros
SURA Asset Management Chile S.A.	Holding Company	78.71%	71.40%	Chile	Chilean peso
Sura Data Chile S.A.	Providing data processing services and leasing computer equipment.	78.71%	71.40%	Chile	Chilean peso
SURA Servicios Profesionales S.A.	Providing business consultancy and advisory services.	78.71%	71.40%	Chile	Chilean peso
Santa María Internacional S.A.	Holding Company	78.71%	71.40%	Chile	Chilean peso
Grupo Sura Latin American Holdings B.V.	Holding Company	78.71%	71.40%	Holland	Euros
SUAM Finance B.V	Holding company for 144A/Reg S bonds issued in April 2014	78.71%	71.40%	Curazao	Dollar
Sura Asset Management México S.A. de C.V.	Holding Company	78.71%	71.40%	Mexico	Mexican peso

COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Sura Art Corporation S.A. de C.V.	Collecting Mexican works of art.	78.71%	71.40%	Mexico	Mexican peso
SURA Asset Management Perú S.A.	Holding Company	78.71%	71.40%	Peru	Soles
Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)	Holding Company	78.71%	71.40%	Uruguay	Uruguayan Peso
AFAP Sura S.A.	Managing retirement savings funds.	78.71%	71.40%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Managing pension funds.	78.48%	71.19%	Chile	Chilean peso
Afore Sura S.A. de C.V.	Managing investment firms specializing in retirement savings funds	78.71%	71.40%	Mexico	Mexican peso
AFP Integra S.A.	Providing its pension fund management services	78.70%	71.40%	Peru	Soles
SURA Real Estate S.A.S.	Management consultancy services, real estate activities with properties either leased or for own use.	55.09%	0.00%	Colombia	Colombian peso
Asesores Sura S.A. de C.V.	Providing financial services and products	78.71%	71.40%	Mexico	Mexican peso
Promotora Sura AM S.A. de C.V.	Providing advertising and marketing services for any type of product	78.71%	71.40%	Mexico	Mexican peso
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	Providing mortgage loans and other financial services	55.09%	49.98%	Peru	Soles
Seguros de Vida Sura S.A.	Providing insurance, both life and annuities	78.71%	71.40%	Chile	Chilean peso
Pensiones Sura S.A. de C.V.	Pension insurance	78.71%	71.40%	Mexico	Mexican peso
Seguros de Vida SURA Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)	Life insurance	78.71%	71.40%	Mexico	Mexican peso
Seguros Sura S.A. (formerly Invita)	Providing life insurance and reinsurance	54.54%	49.47%	Peru	Soles
SUAM Corredora de Seguros S.A. de C.V.	Providing insurance and reinsurance brokerage services	78.71%	71.40%	El Salvador	Dollar
Disgely S.A.	Selling merchandise and leasing goods, properties and services.	78.71%	71.40%	Uruguay	Uruguayan Peso
Corredores de Bolsa Sura S.A.	Purchasing and selling securities and providing brokerage services	78.71%	71.40%	Chile	Chilean peso
Administradora General de Fondos Sura S.A.	Managing investment and mutual funds.	78.71%	71.40%	Chile	Chilean peso
Sura Investment Management S.A. de C.V.	Managing investment fund management firms.	78.71%	71.40%	Mexico	Mexican peso

COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Fondos Sura SAF S.A.C.	Managing investment and mutual funds.	78.71%	71.40%	Peru	Soles
Sociedad Agente de Bolsa S.A.	Stock brokerage firm	78.71%	71.40%	Peru	Soles
Corredores de Bolsa SURA S.A.	Providing brokerage services	78.71%	71.40%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Managing investments funds.	78.71%	71.40%	Uruguay	Uruguayan Peso
Inversura Panamá Internacional S.A.	Investing	81.13%	81.13%	Panama	Dollar
Inversiones Sura Brasil S.A.S.	Investing	81.13%	81.13%	Colombia	Colombian peso
Financia Expreso RSA S.A.	Investing and entering into loan agreements	81.11%	0.00%	Colombia	Colombian peso
Santa María del Sol S.A.	Investments	81.13%	0.00%	Argentina	Argentinian peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	0.00%	Argentina	Argentinian peso
Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)	Investments	81.13%	0.00%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada (formerly Inversiones RSA Chile Limitada)	Investments	81.13%	0.00%	Chile	Chilean peso
Seguros Generales Suramericana S.A.	Property And Casualty Insurance	81.11%	81.13%	Colombia	Colombian peso
Seguros Sura S.A.	Insurance	81.13%	99.99%	Dominican Republic	Dominican peso
Seguros Suramericana Panamá S.A.	Insurance	81.13%	100.00%	Panama	Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Property And Casualty Insurance	81.13%	97.11%	El Salvador	Dollar
Sura	Insurance and re-insurance	81.13%	0.00%	Bermuda	Dollar
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)	Personal and casualty insurance	81.13%	0.00%	Brazil	Brazilian real
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	General insurance	80.63%	0.00%	Argentina	Argentinian peso
Aseguradora de Créditos y Garantías S.A.	Insurance, co-insurance and re-insurance in general for all types of risk	81.12%	0.00%	Argentina	Argentinian peso
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	General insurance	80.71%	0.00%	Chile	Chilean peso
Seguros Sura, S.A de C.V. (formerly Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.)	General insurance	81.13%	0.00%	Mexico	Mexican peso
Royal & Sun Alliance Seguros (Uruguay) S.A.	Property And Casualty Insurance	81.13%	0.00%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investing in personal and real estate property,	81.13%	81.13%	Colombia	Colombian peso
Servicios Generales Suramericana S.A.	Investing in personal property especially shares, quotas or holdings	81.13%	81.13%	Colombia	Colombian peso

COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Consultancy firm with regard to comprehensive risk management	81.13%	81.13%	Colombia	Colombian peso
Servicios Generales Suramericana S.A. (Panamá)	Inspecting, repairing, purchasing and selling all types of vehicles and their corresponding spare parts	81.13	81.13%	Panama	Dollar
Protección Garantizada LTDA	Insurance brokerage	41.36%	0.00%	Colombia	Colombian peso
Servicios y Ventas Compañía Limitada	Service provider	80.92%	0.00%	Chile	Chilean peso
EPS y Medicina Prepagada Suramericana S.A.	Organizing, guaranteeing and providing health care services	81.13%	81.13%	Colombia	Colombian peso
Servicios de Salud IPS Suramericana S.A.	Providing medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian peso
Diagnóstico y Asistencia Médica S.A.	Providing health care services through diagnostic aids	81.13%	81.13%	Colombia	Colombian peso
Seguros de Vida Suramericana S.A.	Personal Insurance	81.13%	81.13%	Colombia	Colombian peso
Seguros de Riesgos Laborales Suramericana S.A.	Occupational risk management	81.13%	81.13%	Colombia	Colombian peso
Asesuisa Vida, S.A. Seguros de Personas	Personal Insurance	81.13%	73.23%	El Salvador	Dollar
Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.)	Life insurance	81.13%	0.00%	Chile	Chilean peso
Suramericana S.A.	Investing	81.13%	81.13%	Colombia	Colombian peso
Inversiones y Construcciones Estratégicas S.A.S.	Investing	100.00%	100.00%	Colombia	Colombian peso
Grupo de Inversiones Suramericana Panamá S.A.	Investing in negotiable securities	100.00%	100.00%	Panama	Dollar
Planeco Panamá S.A.	Buying and selling personal property and real estate	95.28%	95.28%	Panama	Dollar
Grupo Sura Finance S.A.	Company dedicated to any lawful activity in the Cayman Islands	100.00%	100.00%	Cayman Islands	Dollar
Sura Asset Management S.A.	Investing in personal and real estate property,	78.71%	71.40%	Colombia	Colombian peso
Habitat Adulto Mayor S,A,	Providing health care services for the elderly	82.66%	73.23%	Colombia	Colombian peso
Arus Holding S.A.S	Investing in personal and real estate property,	100.00%	100.00%	Colombia	Colombian peso
Arus S.A.	Providing and marketing its telecommunication services, products and solutions	100.00%	100.00%	Colombia	Colombian peso
Enlace Operativo S.A.	Providing business process outsourcing (BPO) services	100.00%	100.00%	Colombia	Colombian peso

c) Members of Board of Directors: see Note 1.
It is the responsibility of the members of Grupo Sura ´s Board of Directors to issue guidelines and make key decisions, which in some cases are those issued by its Head Office in Colombia.

d) Directors: see Note 1

The following table shows the total value of transactions conducted by Grupo Sura with its related parties during the corresponding reporting period:

Accounts receivable

	2016	2015
Grupo Sura Panamá	11.073	-
Suramericana S.A.	90	-
Grupo Sura Finance	60	-
	11.223	**-**

Accounts payable:

	2016	2015
Grupo Sura Finance (1)	1,620,383	-
Inversiones y Construcciones Estratégicas (1)	22.673	26.821
Interest - Grupo Sura Finance (1)	15.619	-
Interests - Inversiones y Construcciones Estratégicas1	1.440	176
	1,660,115	**26.997**

(1) These accounts payable, plus interest, consist of current intercompany trade payables.
Transactions with related parties were carried out on an "arms-length" basis, that is to say, based on normal market terms and conditions

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Non-operating expense

	2016	2015
Grupo Sura Finance	65.967	-
Seguros Generales Suramericana	345	284
Seguros de Vida Suramericana	58	69
Servicios Generales Suramericana	45	36
Operaciones Generales Suramericana	18	-
IPS Servicios de Salud	2	22
Inversiones y Construcciones Estratégicas	-	204
Compuredes	-	12
	66.435	**627**

Non-operating revenue

	2016	2015
Seguros de Vida Suramericana	1.871	-

Senior management benefits

	2016	2015
Short-term employee benefits	8.441	7.301
Post-employment benefits	24.407	20.658
	32.848	**27.959**

Other related parties

	2016	2015
Board of Director fees	**809**	**666**

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

On January 26, 2017, Mr. Fernando Ojalvo Prieto offered his resignation to Grupo Sura´s Board of Directors as Chief Corporate Affairs Officer and Company Secretary, which shall become effective as of April 30, 2017.

On February 17, 2017 Grupo de Inversiones Suramericana S.A. announced a proposal for amending the Share Issuance and Placement Rules and Regulations corresponding to its Preferred Shares, as issued in 2011, which shall be submitted for the consideration of the shareholders at the upcoming Shareholders' Meeting be held next March 31. The purpose of this proposed amendment is to adjust said rules and regulations so as to bring them in line with market practice, and includes certain items that enhance the terms and conditions of these shareholders while providing the Company with greater flexibility for managing its capital structure.

On February 23, 2017, Grupo de Inversiones Suramericana S.A. carried out a Dutch auction of ordinary bonds worth COP 550 thousand million. These are to be offered in the form of three series, one for a 5-year term at a fixed rate, another for a 7 year term, at a CPI-indexed rate and the last for a 12- year term, also at a CPI-indexed rate.

NOTE 28. BOARD APPROVAL FOR THE COMPANY'S FINANCIAL STATEMENTS

Grupo Sura ´s financial statements for the year ended 31 December 2016 were duly approved by the Board of Directors, as recorded in Minutes No. 254 of a Board meeting held on February 23, 2017, for their subsequent presentation to the Shareholders at their upcoming Annual Meeting, pursuant to that stipulated in the Colombian Code of Commerce.